

# Annual & Sustainability Report 2022



viaplay  
GROUP



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### About this report

This is the 2022 Annual & Sustainability report for Viaplay Group AB (publ), corporate registration number 559124-6847. The Group publishes such a report on an annual basis, this report was published on 5 April, 2023 and covers the reporting period between 1 January, 2022, and 31 December, 2022.

The statutory Annual report covers pages 24–91. The Group reports on its sustainability work for 2022 according to the GRI Standards 2021, Global Reporting Initiative's reporting guidelines. The Sustainability report (including the statutory Sustainability report) covers pages 100–144.

Some statements in this report are forward looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, others could have a material effect on the actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact and pricing of competing products, product development, commercialisation and technological difficulties, supply chain interruptions, and major customer credit losses.

The Annual & Sustainability report is published in Swedish and English. The Swedish version is to be considered the original and shall apply in any instance where the two versions differ.

This report is available for download in both language versions from the Viaplay Group website or via the digital summary on [www.viaplaygroup.com/investors/annual-report-2022](http://www.viaplaygroup.com/investors/annual-report-2022).



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# About Viaplay Group

Viaplay Group in brief

# Telling stories, touching lives, expanding worlds

Viaplay Group is the leading streaming provider in the Nordics and an international entertainment provider. The Group delivers entertainment via streaming, linear TV and radio. Every day, millions of customers enjoy our unique entertainment, including acclaimed original scripted and non-scripted productions and premium live sports.

Financial overview

SEK million	2022	2021	2020
Net sales	15,691	12,661	12,003
Organic growth <sup>1</sup>	19.7%	16.7%	0.1%
Operating income before ACI and IAC <sup>1</sup>	−372	607	978
Associated company income (ACI)	275	40	100
Operating income before IAC <sup>1</sup>	−97	647	1,077
Items affecting comparability (IAC) <sup>1</sup>	510	−74	2,109
Operating income	413	573	3,186

1) Alternative performance measures used in this report are explained and reconciled on pages 97–99.

7.3 million  
Viaplay subscribers

11  
Viaplay markets

1,600+  
Employees worldwide

61  
Nationalities

205 million  
Hours of live sports viewed

126  
Viaplay original productions

Purpose  
Telling stories,  
touching lives,  
expanding worlds

Vision  
To be the  
sustainable  
entertainment  
provider

Values  
Bravery, Equality,  
Appreciation  
and Trust

Viaplay original production, Below



## The Viaplay streaming service

Viaplay is our premium video streaming service and is available direct-to-consumer in every Nordic and Baltic country, Poland, the Netherlands and the UK, and we are expanding rapidly by launching in the US and Canada in the beginning of 2023. Viaplay has one of the world's largest portfolios of live premium sports and a fast growing library of Viaplay Series, Films, Documentaries, Sport productions, and Specials.

Viaplay original production, Billy the Kid

## Content

In addition to ground-breaking original productions, original scripted drama series and documentaries, Viaplay offers some of the latest international TV releases, as well as all-time classics and animation and series for kids.

## Tech

Our robust platform is capable of offering best-in-class viewing experiences during times of normal load and during those bandwidth-eating, highly time-sensitive moments of live premier sporting events.

## User experience

Designed to give you an overview of the content you love, the app is easy to use with recommendations that help you discover something new every day. Security and adaptations for accessibility make sure it is user-friendly for all.

## 2022 highlights

# An eventful year

## We are now Viaplay Group

As a company that thrives on innovation and change; we lead the way, create trends and inspire the world to follow. In 2022, NENT Group became Viaplay Group. A change that makes us more attractive for partners, investors, and talents. For us this is a right step at the right time for our fast-growing global company.



## Live in Netherlands and UK

Viaplay launched in the Netherlands in March as a direct-to-consumer subscription and through partners. Viaplay original content has Dutch subtitles, and all kids content has Dutch dubbing. On 1 November Viaplay went live in the UK with an offering of two packages; Films & Series, and Total that also includes premium live sports following the acquisition of Premier Sports.



## New exclusive sports right

Viaplay has ongoing partnerships with F1 hero Max Verstappen and football superstar Erling Haaland. Additionally, long-term sports rights were secured such as IHF Men's and Women's handball, PDC European Tour darts, FIS winter sports in Sweden, Hoofdklasse field hockey in the Netherlands, EFL Championship, and Scottish, Welsh and Northern Irish national team football in the UK.



## Sustainability recognition

Viaplay Group has been included in the S&P Dow Jones Sustainability Indices (DJSI) for the second consecutive year, qualifying for both DJSI World and DJSI Europe. Maintaining our position in the top 10% of media and entertainment companies, we have also received S&P's Industry Mover Sustainability Award for the strongest year-on-year improvement in our industry.



## New partnerships

During the year, Viaplay Group secured a number of new commercial partnerships, which will be instrumental to the continuing successful growth of the Group. Extended distribution partnerships for the Viaplay Streaming service as well as the Group's linear channels means we now have partnerships with the largest pay-TV operators in almost all our markets.



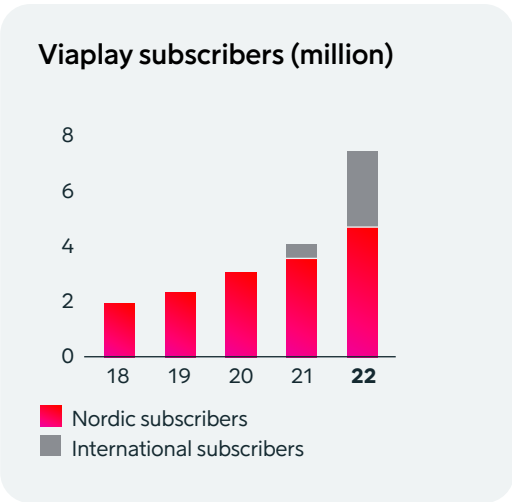
## Viaplay original productions

Committed to being an industry leader in producing outstanding original content, Viaplay Group premiered 75 Viaplay Films, Series and Documentaries during the year. Together with additional in-house scripted and non-scripted and sports productions, this brings the total number of Viaplay original productions premiered in 2022 to 126, which is the highest number ever.





2022 highlights



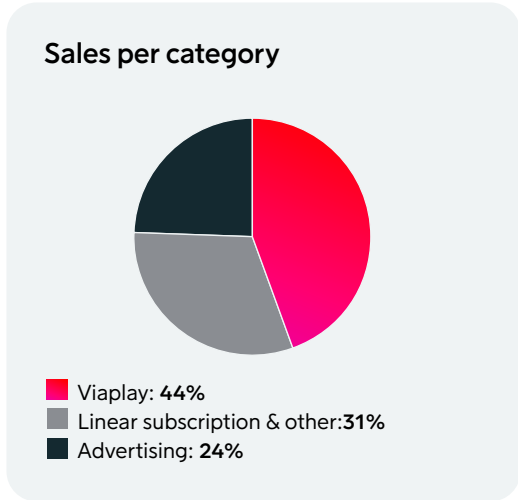
**+83%**

Growth in Viaplay paying subscribers following expansion into new international markets.



**+52%**

Organic revenue growth for Viaplay which now represents almost half of Group sales.



## CEO statement

2022 was another important year for Viaplay Group and we made significant progress as we further strengthened our position in the Nordic countries and continued our international expansion. The toughening geopolitical and macroeconomic climate has affected most of us in a tangible way, but the fact that we managed to stay focused and continue largely according to plan is proof of the strength and flexibility of our operating model.

Viaplay Group added 3.3 million new Viaplay subscribers and achieved organic sales growth of 20% in 2022. By entering two new major markets, the Netherlands and the UK, we strengthened our position as one of Northern Europe's leading entertainment providers and we continued to make significant progress in all areas of our sustainability strategy.

Our content portfolio has never been stronger. With more and broader premium sports rights, our high-quality original drama productions, and local non-scripted content in combination with acquired content from leading Hollywood studios, we bring an offering to consumers that is unique and tailored to each market where we operate.

We premiered a total of 126 Viaplay original produc-

tions in 2022 and expect to keep increasing to more than 130 in 2023. Sports is another good example of our diverse offering, where we offer locally curated content as well as behind-the-scenes content from Premier League, Formula 1 as well as other global audience magnets. Our ongoing partnership with F1 superstar Max Verstappen resulted, besides fantastic races that were streamed live, in a documentary that was one of our most viewed pieces of content besides live sports in the year.

### Expansion according to plan

When we set our five-year strategy in 2020 Viaplay was present in four Nordic markets, at the end of 2022 we were in 11. We had 3 million subscribers then; we close



# An important year for Viaplay Group



## CEO statement

**“Our successful growth into new markets confirms that streaming is the present and the future of entertainment”**

**7.3 million**

Viaplay subscribers

**1.2 million**

subscribers each in Poland and the Netherlands

**11 countries**

have Viaplay available direct-to-consumer

**85%**

Employee engagement

2022 with 7.3 million and aim for 12 million by the end of 2025. Even though we have made some adjustments to our short-term targets and adapted our strategy to reflect the market conditions, the end goal remains the same.

In 2021 and 2022 we successfully launched the Viaplay streaming service direct-to-consumer in three markets, more than tripling the size of our addressable market. In Poland and the Netherlands, Viaplay now counts more than 1.2 million subscribers each. In the UK we launched our streaming service and rebranded Premier Sports linear channels during Q4, 35 years after we started broadcasting our channels into the Nordics from London. As a complement to the markets where we have a full commercial presence, at the end of the year our content was also available in 18 additional markets through the Viaplay Select partner concept, widening the reach of our offering across the globe.

Change in the global media industry continues to be fueled by the consumer-driven, technology-enabled journey in video and sports entertainment, away from traditional broadcasting and into streaming. In addition, at times of economic uncertainty, streaming will provide a relevant and affordable means of home entertainment, thus strengthening its position.

### Investing in partnership, tech and talent

Building long-term partnerships is a fundamental part of our growth strategy both in distribution agreements and in content production partnerships. During 2022 Viaplay Group entered into several new agreements worldwide and expanded or extended existing relationships with improved terms.

As we continue to grow our subscriber base internationally and with the increasing demands on our platform, our ongoing investment in technology is confirmed as one of our success factors. At the biggest sports events, millions of users stream the same content

at the same time and user experience is key. We are proud to offer our subscribers a platform that can provide best-in-class viewing experiences when streaming films and series every day, and during the highly time-sensitive moments of live sporting events.

Delivering world-class sports and entertainment that touches people's lives and expands their worlds requires world-class talent. And you don't attract the best people unless you are very clear about your purpose, where you are going, how, and why. A purpose-led and value-based culture that puts people first is a matter of principle for us. 2022 was a great year of progress in this area. We saw exceptional results in our Employee Engagement Survey, with an all-time high in several of our key people indices.

### Sustainable development – always on our agenda

Viaplay Group's focus on sustainable development is more relevant than ever in an increasingly uncertain world. Our vision is to become a truly sustainable entertainment provider and we are committed to creating long-term value for all our stakeholders. I am proud to say that we factor sustainability into all major business decisions and that we stand fast in our commitment to long-term science-based climate targets, the UN Global and Media Compacts, and as supporters of the Women's Empowerment Principles.

Our five-year sustainability strategy guides us towards bold long-term goals fully aligned with the Group's business priorities as well as with the 2030 Agenda, Paris Agreement, and international human rights charters. In pursuing these goals, we work to both mitigate potential negative impacts and sustainability risks of our business activities and amplify the positive impact we have on the world as a media and entertainment company.

Viaplay Group's science-based climate targets have been validated by SBTi, which is an important milestone

for us. Following this, our top sustainability priorities going forward will be delivering outstanding content in a climate-conscious manner through responsible production practices that safeguard well-being, human rights, and business ethics across our entire value chain, as well as engaging suppliers in setting their own science-based targets aligned with the Paris Agreement. Our efforts to date have once again led us to achieve high ESG ratings and rankings in key indices such as the Dow Jones Sustainability Index, a trend we hope to see continue as we steadily raise our ambitions.

### The growth journey continues

Going forward, Viaplay Group is well positioned to achieve the long-term targets set out in our strategy. With full line of sight on our largely fixed cost base, our continued growth will generate operating leverage and create substantial value as we deliver on our updated plans. With our sights on further international growth, we begin 2023 by launching Viaplay in the US and Canada. We will continue to invest in our platform and content to build a large base of engaged and loyal subscribers. We have already proven our ability to adjust our strategy to changing macroeconomic conditions and this agility will prove vital in quarters and years to come as we continue to develop our brand and our company.

Last, but not least, I am extremely impressed and grateful for the tremendous amount of hard work, passion, and dedication of all our employees. We couldn't do this without you all! I would also like to take this opportunity to thank all our shareholders for continuing to place your trust in Viaplay Group.

**Anders Jensen**

PRESIDENT AND CEO

## Trends and market overview

# Trends in a growing market

The global streaming market continues to grow as people change the way they consume video content. An overall increase in video consumption together with rising numbers of devices capable of supporting digital media contribute to a technology-enabled journey away from traditional linear broadcast TV to cloud-based streaming.

The global video streaming market size was valued at USD 96.5 bn in 2022 and is expected to reach USD 124bn in 2025. The Compound Annual Growth Rate (CAGR) is estimated at 7.1% from 2022 to 2027, according to Ampere Analysis.

### Digital transformation

The impact of digitalisation continues to shape the media industry and change consumer behaviour. Upgrades to digital networks, increasing broadband penetration and 5G mobile network expansion provide the foundation for the Viaplay streaming service as more and more consumers change the way they consume video content. With a new generation of “cord-cutters” taking the lead in replacing cable and linear television in favour of streaming, the demand for tailored, on-the-go content has never been higher.

### Increased penetration and market value

Streaming penetration and the total number of streaming service subscriptions per household are constantly rising in all our markets. The coronavirus pandemic accelerated and broadened the adoption of streaming as more people turned to home entertainment instead of eating in restaurants or visiting sporting events. In a more challenging economic environment, in-home

entertainment continues to be prioritised when consumers review their discretionary spending.

### Raised expectations on user experience

The change in consumer behaviour is not only about a shift to streaming. In a market with more suppliers and solutions to choose from, consumer expectations of their chosen streaming services are higher than ever. Continuous improvements to personalisation and recommendations using AI ensure that Viaplay offers an experience like no other.

To meet customer demands to be able to stream content on any device, Viaplay has secured multiple new device partnerships.

### Original content is key to success

Over the past five years the production of original content has soared among virtually all streaming providers. Viaplay is no exception, with an increase from approximately 15 original productions in 2018 to 126 in 2022. Original content has grown to become a competitive advantage in both attracting and retaining viewers.

Viaplay Group is proud to team up with some of the best content producers to create films and series that reflect contemporary society, tell stories that matter and have an impact on viewers. Championing Nordic

storytelling means delivering high-quality, relevant and thought-provoking content and makes us one of the largest exporters of Nordic culture.

### Sustainability is more relevant than ever

Growing social inequalities and increasing climate change are global challenges that continue to impact the entertainment industry. Accordingly, the demand for sustainability performance and management is increasing from investors, customers, and employees alike.

Viaplay Group has the vision to be one of the world's most sustainable entertainment providers. Diversity and inclusion are at the core of what we stand for as a company and we work actively to advance diversity and inclusion across our business and in society through the content we produce, with industry leading gender balance and representation targets.

Through our productions we want to promote sustainability on screen and off screen; we want to highlight environmental issues, reflect societal changes, and inspire our audiences to make changes to reduce their impact on the environment.

Viaplay Group also works actively to promote growth within female sports, by investing in rights to leading sports events, and by setting targets for female representation on screen.





Trends and market overview

Strong Nordic base

With its origins in the Nordic countries, and a continued mission to develop Nordic storytelling, Viaplay Group is the leading streaming supplier in the Nordic region.

Valued at SEK 35.3bn, with a combined total population of approximately 27 million people and 12 million households, the Nordic streaming market is highly competitive, with low prices in the basic tier and rising prices in the premium tier that includes premium sports. Viaplay's offering is targeted at both the basic tier and premium tier and is sold direct-to-consumer and through partnerships with distributors.

Viaplay Group's investment in own and acquired quality content is paying off. The Group's Nordic share of streaming increased by 7% from 2021 to 2022. The content share of viewing of sports in the Nordics also grew by 150% between 2020 and 2022 demonstrating the attractiveness of our premium sports rights and world-class studio productions. .

Since 2021, the number of Nordic paying subscribers has increased by 33% from 3.5m to 4.6m. Indicating a continued high level of customer loyalty, but also reflecting the growing share of customers joining us through distribution partnerships.

International expansion

After completing its Nordic footprint with Iceland in 2020, Viaplay Group began expanding internationally further by launching the Viaplay streaming platform in the Baltics, Poland and through a B2B partnership with Comcast in the US in 2021. The Baltic market is small, valued at SEK 1.4 bn but currently has low streaming penetration levels amongst households and these are rising. Valued at SEK 8.8bn, the Polish streaming market

on the other hand is the same size as the whole of the Nordic region in terms of the number of households with relatively low penetration levels, and these are expected to grow rapidly over the coming years.

In March 2022 Viaplay went live in the Netherlands, a more mature streaming market valued at SEK 12.1bn with high penetration and price-levels which offer great potential for the future. This was followed by the UK valued at SEK 82.4bn in November, one of the worlds most content-hungry markets, with a unique offering of local sports and premium Nordic content.

In early 2023 Viaplay also launched in the US and Canada, two of the worlds biggest streaming markets.

11 markets

offers Viaplay direct-to-consumers

18 markets

with Viaplay Select

29 markets

our global footprint at the end of 2022

Viaplay Select

In 2022 Viaplay Group launched a branded content concept, Viaplay Select, available through partner platforms in selected markets in Latin America, Australia, Japan, and the Balkans.

The service offers viewers the opportunity to watch some of Viaplay's most successful series, films and documentaries, together with curated third-party content from across the Nordic region. Between 200 and 500 hours of first-run content, adapted to each market, are available through Viaplay Select with more added every year.

"Nordic storytelling attracts audiences everywhere, and our Viaplay Originals deliver it better than anyone," comments Vanda Rapti, EVP & Chief Commercial Officer, North America and Viaplay Select.

Viaplay Select will focus on markets where Viaplay Group is not currently planning to launch a direct-to-consumer service, and where local partners can benefit from Viaplay's unique content pipeline. This is another way to reach new audiences around the world and to deliver additional returns on the Group's content investments.



## Interview with the CFO

# "On target to reach our long-term goals"

Enrique Patrickson joined Viaplay Group as CFO in August 2022. Enrique has extensive financial, commercial and strategic experience from a wide range of international businesses, most recently as CFO and VP of Sales, Asia-Pacific & Middle East and Africa, at Electrolux based in Singapore.

### Welcome onboard! What's your impression so far?

"I am extremely proud to be a part of such an outstanding team of committed and talented colleagues on this journey of international expansion. Viaplay Group delivers an impressive amount and quality of films, series and sports every day. While my own contribution to this is modest, I am full of admiration for the creative teams behind the productions."

### Looking back at 2022, what are your most important takeaways?

"We achieved a total growth of 20%, 10% Nordic growth, a 7.1% Nordic margin and 3.3 million new subscribers for the Group in 2022. This was despite a turbulent macroeconomic and geopolitical environment, which proves we have a resilient operating model. Our speed of execution and our ability to respond to changing circumstances have allowed us to tackle temporary headwinds such as adverse currency effects, rising inflation, lower consumer spending and general recession worries."

### What are the Group's success factors going forward?

"First and foremost, we have received the go-ahead and funding to expand internationally. Then it is about being agile and allowing empowerment. We work daily on reallocating capital from the strong cash flows our Nordic business generates to fuel our growth. It means bringing clarity on investments in content, sports, marketing and our people."

### How do you manage savings while investing in future growth?

"When we talk about savings it's more a matter of capital reallocation, in other words knowing what we starve to feed key initiatives. It also means being clear on which costs generate a good ROI. Since we have a portfolio of businesses, sales channels, and different types of content, we simply need to keep optimizing the mix."

### Why are content and tech so important?

"Content is key to winning the viewers' hearts and building loyalty. From a financial perspective, the local content we produce can be monetised by exporting

to other markets and by distribution over linear TV to generate advertising revenue. Our tech platform in turn is instrumental in providing the quality people have the right to expect, especially when it comes to streaming live premium sporting events. Streaming services that offer only films and series don't experience the type of peaks in traffic load that we do."

### Why is streaming a good business to be in?

"It's a good business in general, but it's also about making the most of the "stickiness" of the operating model. We have more and more loyal customers who actively choose our service and become less likely to give it up, not least given the low cost compared to other types of entertainment. Streaming currently makes up about half the Group's revenue and clearly represents the forward focus of the business, particularly internationally. In the Nordic markets, however, linear TV is a good complement to streaming. It provides a steady source of revenue as well as a channel for distribution of content produced for streaming, and vice-versa."



Enrique Patrickson  
CFO



## Viaplay Group as an investment

# A long-term profitable investment

Viaplay Group is committed to generating sustainable shareholder value through our responsible and well executed expansion strategy. It is our ability to successfully execute this strategy with a largely fixed cost base that will grow our company, generate profitability and deliver returns to our shareholders going forward.

In 2020 Viaplay Group, then NENT Group, made the decision to reinvent itself as a company. Being a broadcaster born out of the Nordics, we decided to start a growth and expansion journey. This highly strategic decision, meant we were going to use the profitability generated in our Nordic operations to invest in our international expansion. An expansion that aimed to create new opportunities and add value to our existing and future shareholders as well as reduce our risks. We are now halfway through that expansion journey and making good progress towards reaching our targets.

### Leveraging possibilities in a growing market

The global streaming market continues to grow as people change the way they consume video content. The growth is further fuelled by the increased spread of high-speed network capacity to new areas of the world.

Capitalising on this shift, Viaplay Group's growth is largely driven by the Viaplay streaming service. Over the past three years we have grown our subscriber base by 222% to over 7.3 million. The growth is set to continue in coming years boosted by our international markets where the additional growth potential is significant. An example of this is Poland, one of our new markets. The overall addressable market is larger than all Nordic markets combined, and less mature regarding streaming which creates substantial growth opportunities.

Following our UK launch in November 2022, the Viaplay streaming service was launched direct-to-consumer in two of the worlds largest streaming markets, the US and Canada in the first quarter of 2023. Entering these markets adds substantial potential as we reach out to the already existing fan base of our Nordic noir content.

In addition to our Viaplay offer, Viaplay Select creates a worldwide footprint of our brand in selected markets where we leverage the value of our already existing content library via selected distribution partners creating additional revenue streams at a very low cost.

### Increased profitability – fixed cost base

The high level of subscriber and revenue growth within our international markets will gradually lower the losses in this part of our operations and lead to a combined international profit already in 2024. This together with a solid Nordic business and a fully funded expansion plan with a full line of sight on our largely fixed cost base means Viaplay Group is steadily progressing towards our long-term goals.

### Resilient and sustainable

In times when the world is changing, an agile and resilient operating model is crucial. The fact that Viaplay Group has maintained our long-term targets despite the new conditions around us is a testament to our ability to

adapt and adjust with a maintained focus on delivering profitability and long-term value to our owners. That agility and openness to make the strategic decisions needed to benefit our company and shareholders will continue and further create value as we continue our journey.

In addition to our dedication to generating profitability, Viaplay Group aspires to contribute to a more sustainable entertainment industry. Viaplay Group is committed to long-term science-based climate targets aimed at reducing our emissions in line with the Paris Agreement. We have taken a long-term holistic approach to integrate sustainability throughout our core business and entire value chain, and to engage with our suppliers and collaborate with our industry partners for the greatest impact. The Group's contribution to sustainable development is as much about changing our own practices, such as reducing CO<sub>2</sub> emissions, as using our storytelling to inspire our audiences for lasting impact.

The Group's long-term commitment to sustainable development is recognised by leading ESG indices and ranking institutions such as S&P's Dow Jones Sustainability indices (DJSi) and included on the 'Green List' in the 2022 Allbright Report for gender equality. The Group has also been recognised as a 'Top-Rated' sustainability performer by Sustainalytics.

### Four reasons to invest:

- 1 Growing international streaming market.
- 2 Our unique offering ensures future subscriber growth.
- 3 A scalable operating model with a fixed cost base.
- 4 Long-term commitment to sustainable development.

The Viaplay Group share

# About the share

The Viaplay Group class B share price decreased by 58% during 2022 to SEK 198 and has decreased by 8.9% since our shares were listed on Nasdaq Stockholm on 28 March 2019. The share price hit a high of SEK 470 on 5 January. The lowest recorded price during the year was SEK183 on 9 November. The market capitalisation at the end of the year was SEK 15.5 billion. Viaplay Group’s shares are listed on Nasdaq Stockholm’s Large Cap list under the symbols ‘VPLAY A’ and ‘VPLAY B’.

### Shares and share capital

The Group’s share capital amounted to SEK 157m at the end of the year. The total number of issued shares was 78,442,244, comprising 531,536 Class A shares, 77,701,208 Class B shares and 209,500 Class C shares (held in treasury). The quota value is SEK 2.00 per share.

### Issued shares as of 31 December 2022

Class A shares	531,536
Class B shares	77,701,208
Class C shares	209,500
<b>Total</b>	<b>78,442,244</b>

### Voting rights

Each Class A share is entitled to 10 voting rights. Each Class B and Class C share is entitled to one voting right.

### Share issues, buy-backs and reclassifications

In February 2021, Viaplay Group issued 10,600,000 new Class B shares and raised gross proceeds of approximately SEK 4.35 billion to finance the international expansion of Viaplay and enhance the Group’s future financial flexibility. This resulted in a 15.6% increase in the total number of shares from 67,842,244 to 78,442,244 and a 14.6% increase in the total number of votes from 72,635,392 to 83,235,392. The share capital increased by SEK 21,200,000 from SEK 135,684,488 to SEK 156,884,488.

In 2022, a total of 255,891 Class B shares were delivered to participants in the LTIP 2019 programme expired in Q2.

Separately and in accordance with the Articles of Association, owners of Class A shares are entitled to convert their shares into Class B shares in January and July each year.

### Share related long-term incentive plans

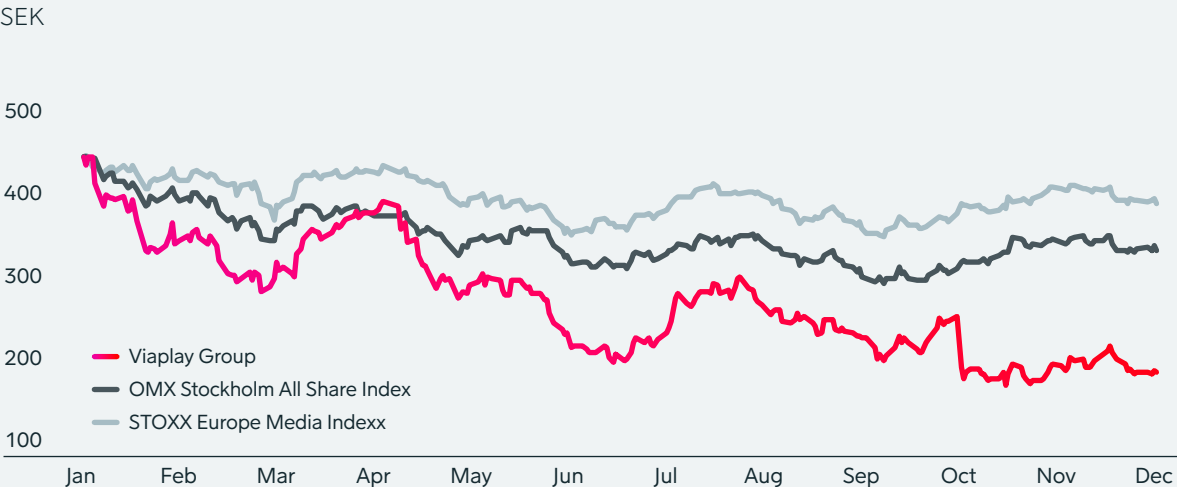
If all of the share rights awarded to senior executives and key employees as at 31 December 2022 were exercised, the total number of outstanding shares would

increase by 589,374 Class B shares, and be equivalent to a dilution of 0.8% of the issued Class B shares and 0.7% of the related voting rights at the end of 2022. Further details about the programmes can be found in note 7 on page 55.

### Outstanding share rights granted

LTIP 2022	353,209
LTIP 2021	236,165

Share price development 31 December 2021 – 31 December 2022



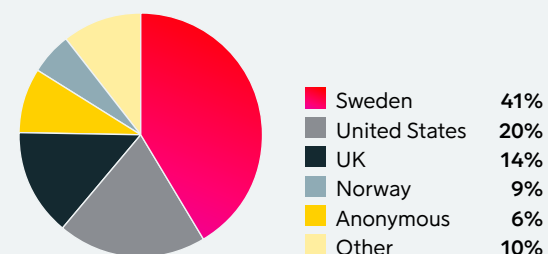


## The Viaplay Group share

### Ownership structure

Viaplay Group had 48,800 shareholders at the end of the year, as recorded in the share register held by Euroclear Sweden AB (Swedish Securities Centre). The shares held by the 10 largest shareholders corresponded to approximately 52% of the total number of shares and 51% of the voting rights. Institutional investors owned approximately 82% of the share capital, with Swedish private individuals owning approximately 10%, and approximately 0.3% held as treasury shares. The remaining 8% was owned by other and anonymous investors.

#### Geographic overview of shareholders



#### Shareholders as of 31 December 2022

SEK million	Viaplay Group A (VPLAY A)	Viaplay Group B (VPLAY B)	Capital	Votes
Norges Bank		6,351,306	8.1%	7.6%
Nordea Funds		5,383,040	6.9%	6.5%
Handelsbanken Funds		5,080,570	6.5%	6.1%
Schroders		4,899,854	6.2%	5.9%
Swedbank Robur		4,489,270	5.7%	5.4%
Capital Group		4,300,058	5.5%	5.2%
Franklin Templeton		3,936,975	5.0%	4.7%
Vanguard		2,646,324	3.4%	3.2%
Marathon Asset Management		2,053,516	2.6%	2.5%
Skandia Life Insurance	159,120	1,694,008	2.2%	4.0%
<b>Total top 10</b>	<b>159,120</b>	<b>40,834,921</b>	<b>52.1%</b>	<b>51.1%</b>

#### Analysts covering Viaplay Group

Company	Name	E-mail
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BoFA	Adrien de Saint Hilaire	<a href="mailto:adrien.de_saint_hilaire@bofa.com">adrien.de_saint_hilaire@bofa.com</a>
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#### Share information

Marketplace	Nasdaq Stockholm, Large Cap segment
Ticker	VPLAY A, VPLAY B
ISIN code (A share)	SE0012324226
ISIN code (B share)	SE0012116390
Market cap as of 31 December 2022	SEK 15.5 bn
Share price as of 31 December 2022	SEK 198 (VPLAY B)
Share price development	–58%
Highest closing price during the year	SEK 470
Lowest closing price during the year	SEK 183

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# Strategy

F1 superstar Max Verstappen





Viaplay Group's strategy

# Strategy for sustainable growth

Viaplay Group is on a journey of international expansion guided by a company-wide strategy platform aimed at maximising growth and sustainable value creation. Building on its strong history in the Nordics, and with a growing international market presence, the Group is now an international entertainment provider.

Integrated strategy

The Group's five-year strategy was introduced in 2020 and consists of long-term operational and financial targets. In 2022 a sustainability roadmap with targets across three focus areas was incorporated into the strategy. These targets tie in with and are treated equally as a measurement of the Group's performance.

The Viaplay streaming service is present in all our markets; it is the Group's most recognisable brand and the largest single revenue stream, which made it a natural step to implement the name change from NENT Group in 2022. Changes have also been made during the year to the operational model and the Group Executive Management team to reflect the Group's expansion, and to enable an even greater focus on growing customer bases in each local market. Among other changes, the Group has introduced four regions to its existing functional setup.

The sustainability roadmap and financial long-term targets aim to ensure that Viaplay Group fulfils its potential as an international entertainment provider, taking advantage of the ongoing growth in streaming as the preferred means of consuming video content on-demand, live, and on multiple devices.

Our approach to Sustainability

A key to the future success of the Group is the commitment to sustainable development and creating long-term value for all stakeholders. This means we have integrated sustainability fully into the Group's strategy model, which is aligned with our purpose, vision, and values. We incorporate sustainability into all our operations and throughout the value chain.

The sustainability roadmap consists of bold targets across three focus areas: climate change and the environment; diversity and inclusion; and well-being and ethics. To address global challenges, Viaplay Group has aligned the sustainability strategy with eight of the UN's 17 Sustainable Development Goals, for more information about the aligned SDGs see page 101. Our commitment to contributing to the global sustainability agenda is also reflected in Viaplay Group being a signatory of the UN Global Compact, a member of the UN SDG Media Compact Initiative, a contributor to the Responsible Media Forum and an endorser of the UN Global Compacts Women's Empowerment Principles.

The long-term vision for Viaplay Group is to become one of the worlds most sustainable, diverse, and inclusive entertainment providers.

## Purpose

Telling stories, touching lives, expanding worlds



## Vision

To be the sustainable entertainment provider



## Values

Bravery, Equality, Appreciation and Trust



Viaplay Group's strategy

Our business priorities

Viaplay Group's strategy rests on four business priorities and three integrated sustainability focus areas, which together permeate the whole organisation and form the foundation for all operations. By concentrating on these, the Group aims to reach its long-term goals.

1. Delivering outstanding content

Great content, content that travels and is adapted to each market in which the Group is present is the very core of our business strategy. Viaplay Group delivers a viewing experience that offers something for everyone.

Securing long-term and exclusive rights to a portfolio of premium live sports rights including football, motor-sports and local sports is vital to the Group's success in entering new markets as well as maintaining subscriber loyalty in existing ones. Viaplay Group has the most extensive sports rights portfolio spanning women's and men's sports; club and national team competitions; and established and emerging sports.

Secondly, Viaplay Group commissions original scripted drama series, documentaries and movies from its own and third-party production companies as well as local adaptations of international unscripted reality formats. Viaplay Group produces more original films, series and documentaries in the Nordic region than any other entertainment provider. Through the direct-to-consumer offering and Viaplay Select in additional markets, Viaplay Group is one of the leading exporters of Nordic culture.

And thirdly, Viaplay Group acquires content from leading Hollywood, international and local studios. This comprises exclusive new and established TV series and feature films, as well as non-exclusive library titles, all of

which are secured under multi-year contracts. This wide portfolio of content is available to consumers through the Viaplay streaming service, Viaplay Select and the Group's linear TV channels.

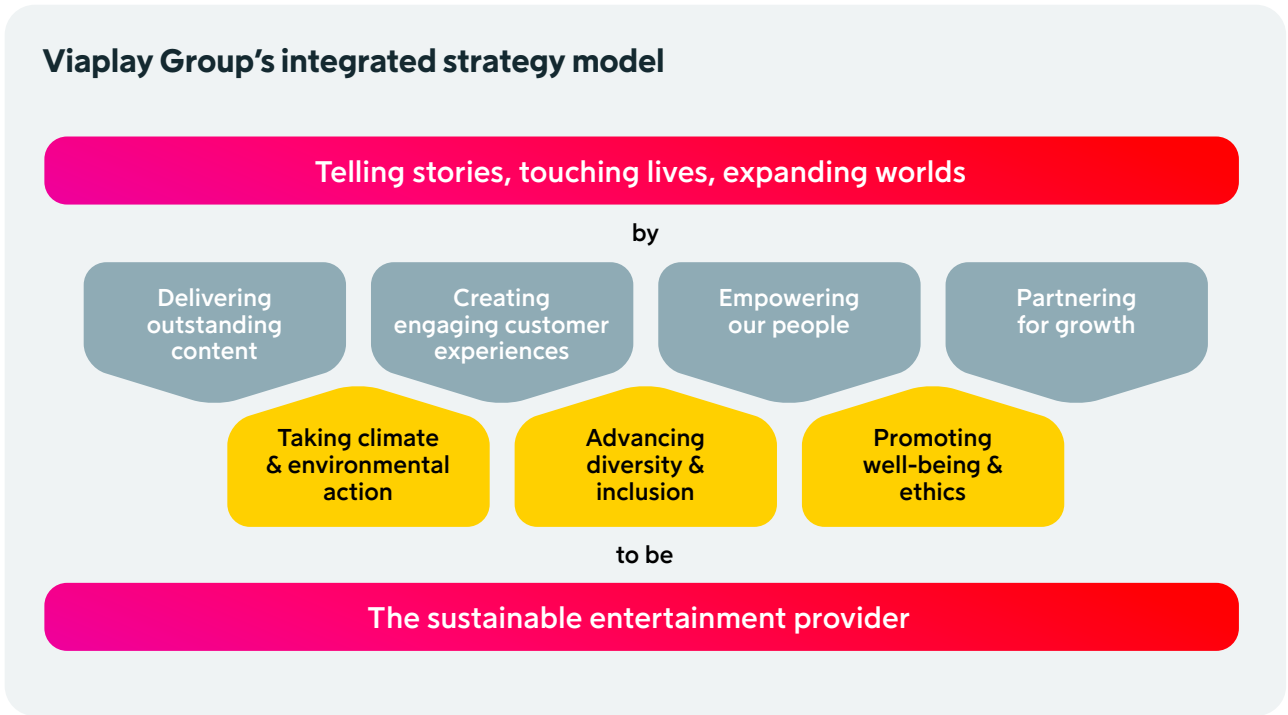
2. Creating engaging customer experiences

Through continuous and conscious investments in technology, Viaplay Group is at the forefront of driving the journey from linear broadcasting to the enriched user experience enabled by streaming. Customers increasingly consume content on a range of different devices, at home or on the go. And they want and expect recommendations to fit their unique preferences. Taking a user-centric approach and through data from a wide range of sources including usage data and consumer surveys, we are constantly refining and developing the Viaplay platform in terms of user-experience, functionality, and personalisation.

Data analytics and AI are vital tools in earning the trust that makes users come back. It helps give them the best possible viewing experience but also to find something to watch with the help of recommendations that make the most of our extensive content library.

Entering new markets requires solid mapping of consumer behaviour in terms of media consumption and device preferences. Thorough research is carried out both in terms of technical requirements for our products and to secure delivery through network capacity, performance, and bandwidth in each specific market.

Creating engaging customer experiences increasingly means thinking proactively about accessibility issues and how to make our content available to as many people as possible with diverse user needs. Viaplay Group aims to work with subtitling, sign language, audio description



and spoken text wherever possible so that all viewers can experience the best of Viaplay.

3. Empowering our people

Viaplay Group's success requires the recruitment, motivation, and retention of the best talents in the business – from developers to salespeople, finance teams to marketers, and analysts to producers. The Group's People & Sustainability teams ensure that we empower our people to live our values, apply self-leadership and

fulfil their potential. We have a diverse and multi-talented workforce that is inclusive and collaborative. We are constantly evolving our ways of working to provide an environment that is challenging and fun to work in while ensuring the safety and well-being of all employees.

Viaplay Group has a clear set of values and a code of conduct that governs how each employee acts and behaves. A values-based, people-centric, and purpose-led culture is the foundation and DNA of our company and an enabler when attracting and retaining



Viaplay Group's strategy

talent in a very competitive global marketplace. The Group's values were identified and developed in 2019 through a series of workshops and surveys, with all team members involved and voting on their preferences. This ensured the vital alignment between personal and professional values. The values that were chosen were Bravery, Equality, Appreciation and Trust. We apply our values to clarify and align around common ways of working that lead to empowerment, engagement and growth. They enable us to relate to each other so that we can be successful together, no matter where we work. They define a culture where people live according to their own values as well as the Group's. And they provide a compass to guide everyday decision-making, teamwork and performance.

4. Partnering for growth

Viaplay Group has always pursued a strategy of partnering for growth and our partnerships are a major driver of future growth. Not only do we partner with the best content producers and the best technology providers, but we also team up with a wide range of third-party distributors across our markets. This enables us to make Viaplay available in as many homes as possible with pay-TV operators, broadband providers and telecommunications companies that promote Viaplay in return for a share of the revenues. This partnering strategy accelerates the penetration of Viaplay in both Nordic and international markets.

Partnering for growth means more than commercial collaborations. The Group aims to raise awareness and create positive change in society through membership in a number of organisations such as BEAT Diabetes Foundation and Women In Tech. Read more on page 103.

New tech hub in Barcelona

In June of 2022, Viaplay Group established a tech hub in Barcelona to bring together talents in product management, design as well as front- and back-end development to support its ongoing international expansion.

Barcelona is consistently ranked among Europe's leading tech cities, both in terms of the number of start-ups and highly qualified developers. The hub will be integrated with Viaplay's tech operations at its Stockholm headquarters, which are currently home to more than 300 talents from over 40 countries.

The new hub reinforces Viaplay's profile as an attractive international tech employer while accelerating the company's capacity to innovate and deliver world-class streaming experiences to viewers in all its markets.

As the Viaplay streaming service becomes available in new countries, demands on the platform become increasingly complex with differing user behaviour, different levels of

technical maturity and new ways of delivering the service. Having an international team outside the Nordics will help provide the wider perspective that is vital to success in new and often very different markets.

So what is it like to open a completely new site? Daniel Rosendahl and Jessica Lund from Barcelona describe the first months as hectic, but exciting. "It's like working for a startup within a big company. We need to be very hands-on with everything from procuring computer equipment, to furnishing the office, to managing an extensive recruitment undertaking."

At the end of the year, there were some 20 members of staff based in Barcelona, with a total of about 70 planned by the end of 2023. As the number of staff at the tech hub grows, Viaplay Group looks forward to becoming even more competitive as an employer and being able to innovate even faster. There will be

an opportunity for people across the Group to spend time working in Barcelona, which constitutes a positive benefit for the individual employee and is a way of creating a common working culture across the organisation.

Daniel Rosendahl says, "One of our key objectives for the tech hub is to

ensure that we build and promote the Viaplay Group culture. It is important for all our employees to feel equally empowered and engaged. We work with the same operating model and goals here as we do in Stockholm, and we want staff to feel that they are a part of the same team regardless of physical location."



## Interview with the Head of Sustainability

# "High ambitions for Viaplay Group"

In 2022, Viaplay launched a new sustainability roadmap which is incorporated into the Group's strategy to help address some of the biggest challenges and opportunities facing the Group. Head of Sustainability at Viaplay Group, Lena De Geer shares her perspective on what it means to be a "Sustainable entertainment provider".

### What does the new integrated strategy mean for the Group?

"We have high ambitions and want to change not just our business, but our industry, as we work towards becoming a sustainable entertainment provider. In this first year of the sustainability strategy-period we have seen a host of new initiatives and programmes take shape aimed at further embedding sustainability considerations into our decision-making and operations. For example, we implemented our external whistle-blower system, expanded our Human Rights Due Diligence process, and ramped up supplier screenings and third-party audits of key productions.

Viaplay Group's science-based targets have been validated by SBTi and we already met Scope 1 and 2, as we successfully reduced emissions from our own operations by 64.9% from 2019 levels. This despite being in the middle of an international expansion. Having said this, the biggest shift in focus is the scope of our sustainability work. Our strategy looks beyond our own operations, as approximately 60% of our climate

impact comes from our productions and therefore from our supply chain. This means that getting our suppliers and partners onboard and working together with the industry is a must."

### What do you see as the greatest success factor contributing to Viaplay Group becoming a sustainability leader in the industry?

"Our dedicated people have always been our biggest asset. We are lucky to count on passionate and engaged sustainability promoters across the group; whether they are securing data privacy, cutting emissions, or championing human rights and equal opportunities."

### How do the raised sustainability ambitions align with the overall business strategy?

"At its core, the strategic model remains unchanged, what we've done is to add a set of non-financial targets and integrate these with each of the previously defined business priorities. For example, it has always been a business priority for us to deliver outstanding content.

Doing so in a climate-conscious manner with responsible production practices is not only a matter of our commitment to sustainability but we firmly believe it leads to better productions, more efficient processes and adds more value to the Group in the long-run.

As we continue our international expansion, it becomes increasingly evident how important this mindset becomes both in our initial decision-making but also to ensure we minimise the ESG risks in each market we enter."

### How, then, can Viaplay inspire suppliers and other stakeholders in the area of sustainability?

"We have a responsibility to educate and share best practices, and not just demand change for the sake of it. To this end, we aim to lead by example and engage more frequently with our partners and the industry as a whole, with knowledge sharing and co-creating tools to drive progress. One such tool is our Sustainable Production Guide, a system we are developing with content suppliers to push sustainability in our productions both in-front of and behind the camera to new heights."



**Lena De Geer**  
Head of Sustainability



## Sustainability focus areas

# Three focus areas for value creation

Viaplay Group undertook an extensive stakeholder dialogue in 2021 to establish which issues and initiatives would be most relevant and make the most impact on them over the coming years. More than 80 in-depth interviews were conducted, and over 1,000 shareholders, employees, customers, partners, and experts were surveyed. This helped us to understand our stakeholders' expectations, and the challenges and opportunities facing society today. After a thorough materiality analysis, three focus areas were identified to work with across our business.

## Taking climate & environmental action

Viaplay Group strives to promote sustainability on and off the screen, putting climate and the environment at the front and centre of our work. We work to reduce our own environmental 'footprint' with a well-defined decarbonisation plan including all facilities, vehicles and travel and embedding environmental sustainability into our production processes and streaming. We have extended our commitment to also work to minimise emissions from our whole value chain.

We also aim to leave a positive handprint; to achieve a positive environmental impact through the content we produce and distribute.

Viaplay Group is committed to the Science Based Targets initiative (SBTi) in accordance with the Paris agreement. To cement our commitment to making meaningful contributions in this space, we also joined the UN Race to Zero.

Since 2022, Viaplay Group is a member of the collaborative project DIMPACT aiming to measure and reduce emissions across the entire value chain of digital media content.

## Advancing diversity & inclusion

We believe that a diverse and inclusive working environment leads to better decisions, greater creativity, increased engagement, and a sense of belonging and purpose. It also helps to attract and keep the best talents.

It is important that our content reflects the societies we operate in, with engaging stories that are relevant to as many people as possible. This is why we seek to portray a plurality of perspectives and cultures. In doing this, we challenge stereotypes, reflect different realities, and address societal challenges.

Diversity is not just about factors such as age, gender, and ethnicity – but also about knowledge, experience, personality, and perspective. We are very proud of Viaplay's original content which highlights the importance of representation and offers diverse storytelling that challenges existing stereotypes and norms.

Internally, we work to address equality, diversity, and inclusion (EDI) challenges, raise awareness, and improve at every level. We also map gender balance throughout our content value chain.

## Promoting well-being & ethics

The safety and well-being of our employees remain our most important considerations and we promote a transparent culture that includes everyone and upholds our values.

We seek to strengthen ethics and compliance awareness across the business and supply chain using our Code of Conduct and values in our daily activities. We also work with our suppliers to ensure data privacy in all our processes.

We stand by the principles of freedom of expression, editorial independence, and responsible content, and follow responsible sourcing and production practices in all our markets and with all our partners. We help our viewers make informed decisions and provide on-screen warnings for potentially offensive or violent content. And no adult content is shown on any of our platforms.

The passion to inspire each other, the empowerment to be who we are, and the opportunity for everyone to thrive at work defines us. We do this through our hybrid work model, regular follow-ups with a manager, and by providing resources and support when needed.

## Financial targets

# Delivering on long-term targets

## Group sales growth

Long-term target

**~16–19%**

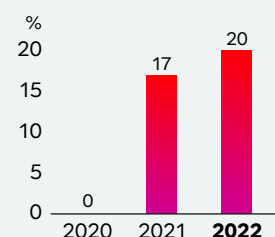
CAGR 2020–2025

Based on 2020 Group revenues excl. contribution from deconsolidated Viasat Consumer business & divested Studio operations & include contribution from the consolidation of Premier Sports.

### Outcome 2022

The Group delivered **20% full year organic sales growth** in line with guidance. Viaplay growth accelerated and accounts for almost 50% in Q4. Viaplay growth for full year was 52% and international sales increased to SEK 1.4bn.

### Group sales growth 20%



## Nordic sales growth

Long-term target

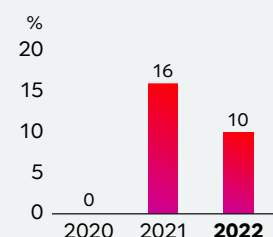
**~10–12%**

CAGR 2020–2025

### Outcome 2022

Delivered **10% full year organic sales growth target**, with sales of SEK 14.3bn with accelerating Viaplay growth. This not only reflects subscriber growth, but also ARPU growth, having commenced our well-planned series of price increases.

### Nordic sales growth 10%



## Viaplay subscribers

Long-term target

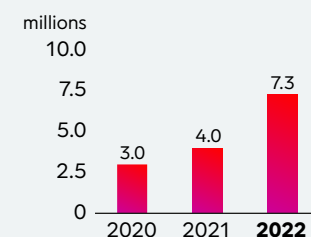
**~12 million**

Of which 6 million in the Nordics and 6 million international.

### Outcome 2022

The Group started 2022 with 4 million Viaplay paying subscribers. The Nordic markets grew by 1.2 million to end the year with **4.6 million subscribers**, and the international markets by 2.1 million to end the year with **2.7 million subscribers**.

### Viaplay subscribers 7.3 million



## Group EBIT (excluding ACI & IAC)

Long-term target

**~13%**

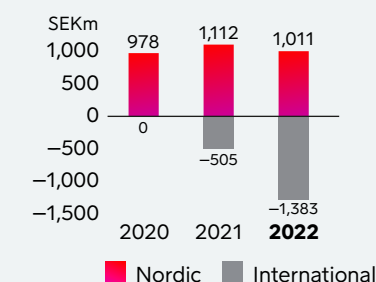
margin for 2025

With positive result for International operations already in 2024. ~20% long-term margin for Nordic operations, and ~25% for International operations.

### Outcome 2022

Nordic margin in line with guidance at 7.1% or SEK 1bn. The expansion of international operations continued according to plan, and losses amounted to SEK –1.4bn, approx. SEK 100m better than expected when entering into 2022.

### Group EBIT SEK– 372m



## Leverage policy

Long-term target

**<2.5x**

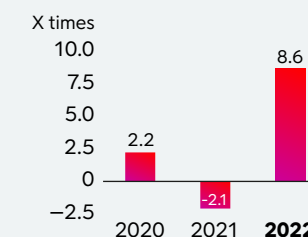
Net Debt/LTM EBITDA

Based on trailing twelve month adjusted EBITDA and including leases. Viaplay Group's leverage may exceed these levels temporarily from time to time.

### Outcome 2022

The Group ended 2022 with SEK 1.5bn of net debt, or SEK 1.1bn excluding leases. Cash and cash equivalent amounted to SEK 2.8bn. The Group's expansion is fully funded and the leverage ratio will deviate from long-term target from time to time.

### Net Debt/EBITDA 8.6x





Highlights non-financial targets

# Good progress on sustainability targets

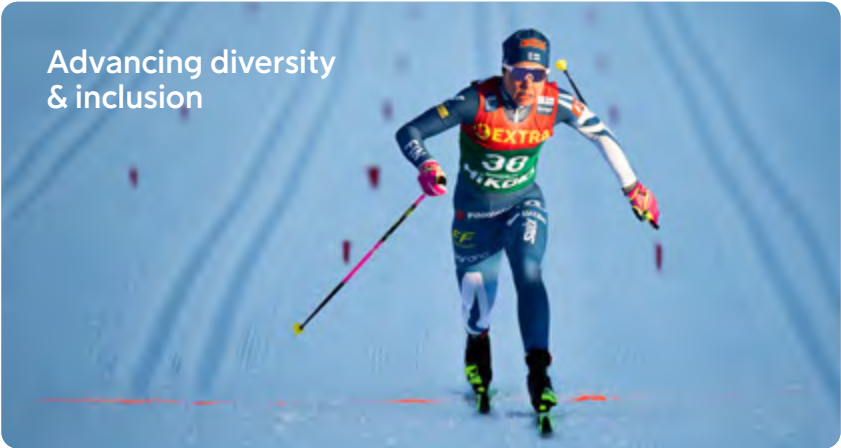


**Long-term goal:** Reduce GHG emissions in absolute scope 1 (fuel use) & scope 2 (energy), by 46.2% from a 2019 base year by end of 2030. Reduce GHG emissions in absolute scope 3.6 (business travel) by 46.2% from a 2019 base year by end of 2030 (science based target).

**Outcome 2022:** Reduced GHG emissions 64.9% in own operations, scope 1 & scope 2 (fuel and energy). Current target achieved, long-term target for scope 1 & 2 to be re-evaluated in 2023. Reduced GHG emissions 12.3% in business travel, scope 3.6 (0.3% less than 2022 reduction target of 12.6%).

**Long-term goal:** Develop and implement Viaplay's Sustainable production guide, incl. people & planet storytelling test in all Viaplay produced content (including sports productions) by end of 2026.

**Outcome 2022:** Developed and piloted production guide, including storytelling test in productions.

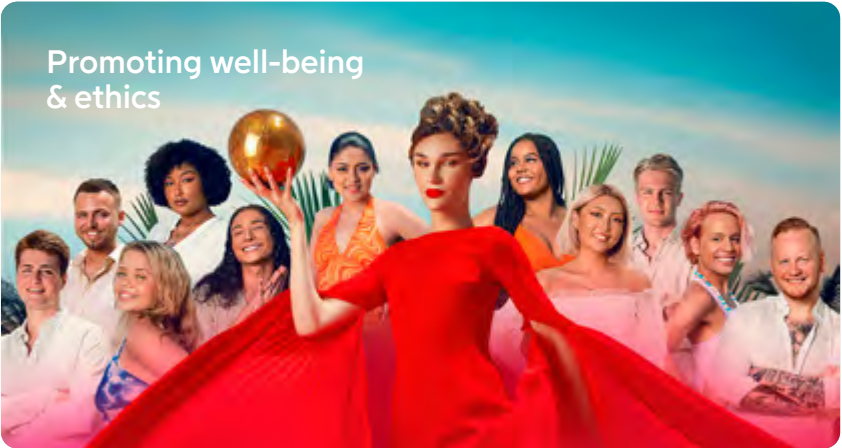


**Long-term goal:** Reach 50/50 gender balance in total workforce by 2026 (baseline 44F/56M% in 2021) and in all Viaplay's Nordic productions (supply chain) by end of 2026 (baseline 47F/53M% in 2021).

**Outcome 2022:** Maintained existing gender balance in workforce (44F/56M%) and improved in Nordic productions (51F/49M%).

**Long-term goal:** Ensure that 75% of all Viaplay financed content productions emphasise climate, environment, or diverse storytelling by end of 2026.

**Outcome 2022:** Increased content portfolio with diverse storytelling in +20 productions (2022 target of 5 productions achieved).



**Long-term goal:** Ensure ethical behaviour, human rights and well-being in all productions by strengthened processes, trainings and audit programme.

**Outcome 2022:** Child welfare & participant trainings held and speak-up line implemented in all productions. All Viaplay productions screened & pulse surveys sent to 7 key productions, including 4 audits conducted to safeguard responsible production practices.

**Long-term goal:** Increase employee perception of well-being index score of 83 (79, 2021) in employee engagement survey by end of 2026.

**Outcome 2022:** Increased well-being index score to 81.

All 15 five-years goals, annual targets and progress are covered in the sustainability roadmap on page 106.



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# Directors' report



Directors' report

# Financial performance

The Board of Directors and President and CEO of Viaplay Group AB (publ), corporate registration number 559124-6847 and registered office in Stockholm Sweden, hereby submit the annual accounts and consolidated accounts for 2022.

Operations and market

Viaplay Group operates video streaming services available in every Nordic and Baltic country, Poland, the Netherlands, and the UK, adding up to a total of 11 markets. In addition, the Group's Viaplay Select branded content concept is at year-end available in another 18 markets. The Group also operate pay-TV channels in all Nordic countries except Iceland; commercial free-TV channels in Sweden, Denmark, and Norway; and commercial radio networks and audio streaming services in Sweden and Norway. The Group's production companies within Viaplay Studios focus primarily on delivering original content for the Group's Viaplay streaming service. The Group owns together with Telenor Group, Allente Group AB, a satellite pay-TV and broadband operator offering content from multiple providers. Viaplay Group holds a 50% share of Allente.

In line with Viaplay Group's mission to grow as an international entertainment provider, the Group will launch the streaming service direct-to-consumer in the US and Canada during 2023 and Viaplay will then be available in 13 markets.

Viaplay Group primarily generates its revenues from the sale of subscriptions and advertising. Subscriptions to the Group's streaming services are sold direct-to-consumer or made available by third-party distributors in return for fees or revenue shares. The Group also generates subscription revenues from sales of its TV channels through third-party network operators in the form of revenue shares or carriage fees. Advertising revenues are generated by sales of advertising time on the Group's TV- and radio channels and streaming services.

During December 2022 the Group changed its operational model, introducing four commercial regions to the company's existing functional set-up,

with the ambition to strengthen regional focus and bring the business closer to the customer. The new structure comprising the regions Nordics, Continental Europe & Baltics, the UK and North America & Viaplay Select is fully operational as from January 1, 2023.

The Group's average number of employees was 1,586 (1,328). Total number of employees as per December 31 amounted to 1,691 (1,453).

Financial performance

During 2022, the Group grew its Viaplay subscriber base to 7.3 million, representing 83% growth. Total reported net sales amounted to SEK 15,691m (12,661) with organic sales growth of 20% (17%). Nordic sales amounted to SEK 14,257m (12,606) and International sales amounted to SEK 1,434m (55). During Q1 the Viaplay streaming service was launched in the Netherlands with strong growth of subscribers during the year. In October the Group acquired Premier Sports, an established and growing sports streaming and TV channel subscription business in the UK, and Premier Sport was consolidated into the Group during Q4 2022. In November the Group launched Viaplay in the UK.

The Group's largest sales category was Viaplay representing 44% of sales, followed by Linear Subscription and other 31% and Advertising 24%.

The Group's Operating income before ACI and IAC, amounted to SEK -372m (607) and was impacted by investments in the ongoing international expansion at an amount of SEK -1,383m (-505). These losses were in line with communicated guidance during the year. The Nordic operating result was somewhat lower than last year and was impacted by weaker advertising markets, higher sports rights costs not yet offset by higher prices, and the temporary discontinuation of a distribution agreement in Sweden.

Allente contributed with SEK 282m (41), which is included in Associated Company Income (ACI). During 2022, the Group received SEK 300m (500) in dividend from Allente.

In Q1 the Group received SEK 595m of proceeds from a Danish court case which strengthened the Group's financial position. During Q4 2022,

the Group was impacted by costs related to a reorganisation, the acquisition of Premier Sports UK, and content write-downs at an amount of SEK -86m. Remaining costs of SEK 45m related to these activities will be charged to the Q1 2023 results.

The Board of Directors will propose to Annual General Meeting that no annual cash dividend be paid for 2022, and that 2022 profits be carried forward into 2023 for investment into the ongoing international expansion.

Financial overview

SEK million	2022	2021	2020
Net sales	15,691	12,661	12,003
Organic growth <sup>1</sup>	19.7%	16.7%	0.1%
Operating income before ACI and IAC <sup>1</sup>	-372	607	978
Associated company income (ACI)	275	40	100
Operating income before IAC <sup>1</sup>	-97	647	1,077
Items affecting comparability (IAC) <sup>1</sup>	510	-74	2,109
Operating income	413	573	3,186
Net income, continuing operations	323	365	2,869
Net income, discontinued operations	—	-40	-643
Net income, total operations	323	325	2,226
Basic earnings per share (SEK)	4.13	4.23	33.06

1) Alternative performance measures used in this report are explained and reconciled on pages 97-99.

Financial performance

Net Sales and sales by category

Total net sales for the full year grew 23.9% and amounted to SEK 15,691m (12,661). Organic net sales were up 20%, when excluding changes in currency rates and the contribution of acquired and divested operations. The growth was mainly driven by the performance of Viaplay in the Nordic and international markets. Please see page 97 for a reconciliation of organic and reported sales growth.

SEK million	2022	2021	Reported change, %	Organic change, %
Viaplay	6,969	4,386	59	52
Linear subscription & other <sup>1</sup>	4,914	4,498	9	7
Advertising	3,808	3,777	1	–2
Total	15,691	12,661	24	20

1) Previous reported “Other subscription” and “Studios & other” have been combined into “Linear subscription & other.”

Viaplay

Viaplay was the largest revenue contributor and accounted for 44% (35) of total Group sales. In the fourth quarter, Viaplay represented almost half of the Group’s revenue. Viaplay sales amounted to SEK 6,969m (4,386), and the organic growth was 52%. International sales was SEK 1,434m (55) for the full year. The total Viaplay paying subscriber base grew by 83% to 7,318k subscribers and added 3,313k paying subscribers during the year. In the Nordics 1,167k subscribers was added and 2,147k was added in the international markets. This acceleration was driven by the international expansion as well as successful B2B partnerships. The Viaplay streaming service was launched during Q1 2022 in the Netherlands. The Dutch and Polish subscriber bases grew to over 1.2m each at the end of the year.

Linear subscription and other sales

Linear subscription and other sales, which include linear channel subscription sales, sublicensing and Viaplay Studios external sales, accounted for 31%(36) of Group sales and were up 7% on an organic basis. All three categories contributed to the growth. Linear channel subscription sales increases reflected the price increases during the year for the enhanced content offering and new sports rights.

Advertising

Advertising sales accounted for 24%(30) of Group sales and were down 2% on an organic basis, which reflected the weaker TV advertising markets during the year as well as the coverage of the Olympic games and Football World Cup on competing channels. Viaplay Group’s TV audience share was up in Denmark and Norway, and down in Sweden, with the TV advertising markets estimated to have declined in Sweden and Denmark and increased in Norway. Viaplay Group’s radio audience share was up in both Sweden and Norway, with the radio advertising markets estimated to have grown in both markets.

Operating income

Operating expenses excluding items affecting comparability increased 34% to SEK 16,211m (12,124) and reflected the international expansion and investments in sports rights and original productions.

Operating income before ACI and IAC amounted to SEK –372m (607) and included the SEK –1,383m (–505) net impact of content investments as well as the ongoing international expansion. Operating income before IAC amounted to SEK –97m (647) and included SEK 275m (40) of associated company income, which primarily comprised the Group’s 50% share in the earnings of Allente.

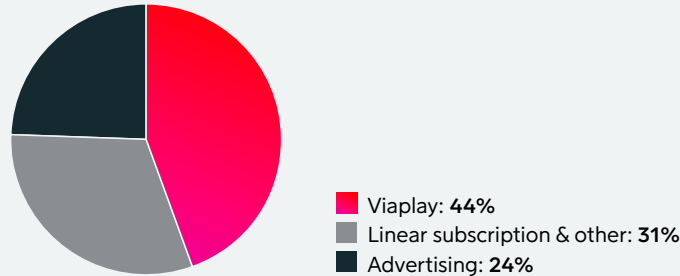
Total operating income amounted to SEK 413m (573) and included IAC of SEK 510m (–74). The 2022 IAC comprised the proceeds from the settlement of court cases with TV 2 Denmark in Q1 2022 of SEK 595m as well as costs amounting to SEK –86m in Q4 2022. The Q4 costs related to the reorganisation, the acquisition and integration of Premier Sports in the UK, and write-down of content. The 2021 IAC comprised the impact from the divestment of the NENT Studios UK content distribution business in June 2021 and impairment of studio assets.

Net interest & other financial items and net income

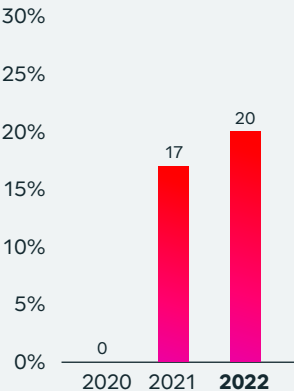
Net interest and other financial items totalled SEK –88m (–97). Net interest amounted to SEK –105m (–104), of which SEK –11m (–12) related to interest on net lease liabilities. Other financial items amounted to SEK 17m (7) and mainly comprised the impact of currency exchange rates on the revaluation of financial items.

Tax amounted to SEK –2m (–111). The lower tax expense was mainly an effect of the lower income. Net income from continuing operations amount-

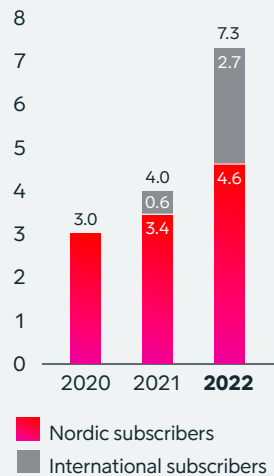
Group net sales by category



Organic growth  
Percent



Viaplay subscribers  
Millions





Financial performance

ed to SEK 323m (365). Net income from discontinued operations last year amounted to SEK –40m and comprised the income from the Studios operations that were divested during 2021. The Group had no discontinued operations during 2022. Total net income for the Group amounted to SEK 323m (325), with total basic earnings per share of SEK 4.13 (4.23).

Cash flow and financial position

Cash flow from operating activities

Cash flow from operations excluding changes in working capital totalled SEK 304m (1,294) and included the receipt of a SEK 300m (500) dividend from Allente. Changes in working capital amounted to SEK –3,305m (–817) and reflected the continued investment in the international expansions, content and sports rights. Cash flow from operating activities amounted to SEK–3,001m (477).

Cash flow from investing activities

Total cash flow related to investing activities amounted to SEK –502m (243). The acquisition of Premier Sports was finalised during Q4 and resulted in a cash outflow of SEK –387m. Last year the divestment of the studio operations generated SEK 443m in cash inflow. Capital expenditure on tangible and intangible assets totalled SEK –186m (–216) and other investing activities amounted to SEK 71m (16).

Cash flow from financing activities

Cash flow from financing activities amounted to SEK 535m (2,910) with net impact from borrowings of SEK 600m (–1,260). Last year’s financing activities included the SEK 4,292m net proceeds from the share issue made in January 2021. The net change in cash and cash equivalents amounted to SEK –2,968m (3,630).

Financial position

The Group’s net debt position at the end of the year was SEK 1,482m (–2,059), and the financial net debt position was SEK 1,105m (–2,422). Cash and cash equivalents totalled SEK 2,775m (5,702), while the Group’s total borrowings amounted to SEK 3,900m (3,300) and lease liabilities (net of sublease receivables) amounted to SEK 377m (364).

Parent company

Viaplay Group AB is the parent company of the Group and is responsible for Group-wide management, administration and financing.

Net sales for the parent company amounted to SEK 123m (86). Income before tax and appropriations amounted to SEK –36m (–83), and net income for the period amounted to SEK 0m (103).

The parent company had cash and cash equivalents of SEK 2,610m (5,590) at the end of the period.

Share and share capital

Viaplay Group AB issued 10,600,000 new Class B shares in February 2021, raising gross proceeds of approximately SEK 4,346m, before transaction costs. This resulted in a 15.6% increase in the total number of issued and outstanding shares from 67,842,244 to 78,442,244. Number of shares are unchanged during 2022.

The number of Class A shares outstanding at the end of the year was 531,536 (532,572) and outstanding Class B shares was 77,694,426 (77,437,499) when excluding the 6,782 Class B (1,654) that were held as treasury shares. Total number of outstanding shares was 78,225,962 (77,970,071), The Group also held class C shares 209,500 (470,519) as treasury shares at year-end. Each Class A share is entitled to 10 voting rights. Each Class B and Class C share is entitled to one voting right.

There are no restrictions on the transfer of shares, voting rights or the right to participate in the Annual General Meeting (AGM). The Company is not aware of any agreements between shareholders that may limit the right to transfer shares. In addition, there are no stipulations in the Articles of Association regarding appointment or dismissal of Board members or agreements between the Company and Board members or employees that require remuneration if such persons leave their posts, or if employment is terminated, as a result of a public bid to acquire shares in the company.

For more information, see “The VIAPLAY Group share” on page 14-15 and note 19 Shareholders’ equity.

Proposed distribution of earnings

The Board of Directors proposes to the Annual General Meeting of shareholders that no annual cash dividend be paid for 2022 and that the Group’s earnings for the period ended 31 December 2022 be carried forward into the 2023 accounts.

The following funds are available for distribution by the Annual General Meeting:

SEK thousands	
Share premium reserve	4,281,596
Retained earnings	2,197,319
Net income for the year	–79
<b>Total</b>	<b>6,478,836</b>

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

SEK thousands	
Carried forward	6,478,836
<b>Total</b>	<b>6,478,836</b>

Sustainability

In accordance with the Swedish Annual Accounts Act Ch. 6 § 8 and 11, Viaplay report the sustainability report separately. The sustainability report (including the statutory sustainability report) is provided on page 100–144.

Remuneration

Principles regarding remuneration to the Board of Directors, the President and CEO, and other members of Group Executive Management are specified in note 7. Note 7 includes the executive remuneration guidelines, adopted by the 2020 Annual General Meeting, and information on how the guidelines were adhered to in 2022. The Board of Directors’ intention is that these guidelines will remain in place until 2024.

## Financial performance

**Significant events during the year****NENT Group was rebranded to Viaplay Group**

On 18 May Nordic Entertainment Group (NENT Group) formally changed its name and brand to Viaplay Group, following approval by shareholders at its Annual General Meeting (AGM). The change reflects the company's strategic focus on the Viaplay streaming service, and its ongoing international expansion and continued Nordic growth.

Anders Jensen, Viaplay Group President and CEO: "We are now Viaplay Group - the right step at the right time for our fast-growing global company. Viaplay is present in all our markets, our most recognisable brand and our largest single revenue-generating unit. This change will benefit our whole company by making us more visible and our strategy even clearer."

**Viaplay Group and TV 2 Denmark agreed a settlement of court cases**

On 31 March the Group and TV3 Denmark agreed a settlement relating to Viaplay Group's claim for damages submitted in 2006. TV 2 Danmark has paid the Group DKK 430m (SEK 600m) as a full and final settlement of the case.

**Viaplay Group acquired Premier Sports**

Viaplay Group's agreement to acquire Premier Sports was announced on 21 July and finalised, after receiving Irish media merger control clearance, 21 October. Premier Sports had a total of 222,000 paying subscribers at the end of June 2022 and generated revenues of GBP 26.4 million in 2021. Premier Sports was included in the consolidated accounts as from the acquisition.

**Viaplay streaming service launched in Netherlands and UK**

Viaplay launched in the Netherlands on 1 March with a unique combination of premium live sports, Viaplay Originals, Hollywood films and series and kids content. The service comprises a single package and is available through distribution partners and as a direct subscription.

In November Viaplay launched in the UK. Viewers can choose the Film & Series package focused on Nordic storytelling with Viaplay Originals and curated third-party content, or the Total package that also includes live sports.

**Viaplay Group and Telia entered expanded content partnership in Sweden**

In December Viaplay Group and Telia agreed on an innovative multi-year partnership in Sweden that gives customers of both companies access to a broader range of content. Starting on 13 December, Telia's TV and streaming customers can again access Viaplay Group's live sports, series and film offerings through the Viaplay streaming service and Viaplay Group's TV channels. The two companies have also deepened their sports co-operation, with selected UEFA Champions League, LaLiga and Serie A matches to be added to the Viaplay Total streaming package.

**Viaplay Group closed SEK 600m bond issue**

In February Viaplay Group raised SEK 600m by issuing 4-year unsecured bonds to more than 20 Nordic investors. The issue was made within the framework of Viaplay Group's established SEK 4bn medium term note (MTN) programme, and comprised SEK 600m of notes with a floating interest rate of STIBOR 3m +1.30% and maturing on 24 February 2026. The bonds are listed on Nasdaq and the proceeds was used to refinance existing loans and for general corporate purposes.

**Capital Markets Day held in Stockholm in November with reaffirmed targets**

Viaplay Group's reaffirmed long-term strategic targets and full year 2022 guidance which were updated in the Q3 interim report reflecting short-term changes in the Group's performance and operating environment, as well as limited changes to the 2025 outlook.

**New organisation and changes in General Executive Management team**

In November at the Capital Markets day the Group announced changes made to the Group's operational model and introduced four commercial regions to the company's existing functional set-up. As a result, Kim Poder was appointed EVP and Chief Commercial Officer for the Group's Nordic operations; Alexander Bastin EVP and Chief Commercial Officer for the Group's Baltic, Polish and Dutch operations; Matthew Hooper EVP and Chief Commercial Officer for the UK operations; and Vanda Rapti EVP and Chief Commercial Officer for North America and Viaplay Select.

**Previous appointments in General Executive Management team during the year:**

- Philip Wågnert appointed as EVP and Chief Technology & Product Officer, effective 3 May. Philip leads the company's product, data and technology development and hold overall technical responsibility for the fast-expanding Viaplay streaming platform.
- Enrique Patrickson was appointed as EVP and Chief Financial Officer and joined the Group in August. Enrique leads the company's finance function in addition to its strategy and M&A teams.

**Significant events after the reporting period**

Significant events after the reporting period are described in note 32.



Risk

# Risks and risk management

Viaplay Group’s strategy lays the foundation for setting short-term and long-term targets. Whenever setting targets there is always certain risks associated. The purpose of risk management is to understand these risks and decide how to best manage them.

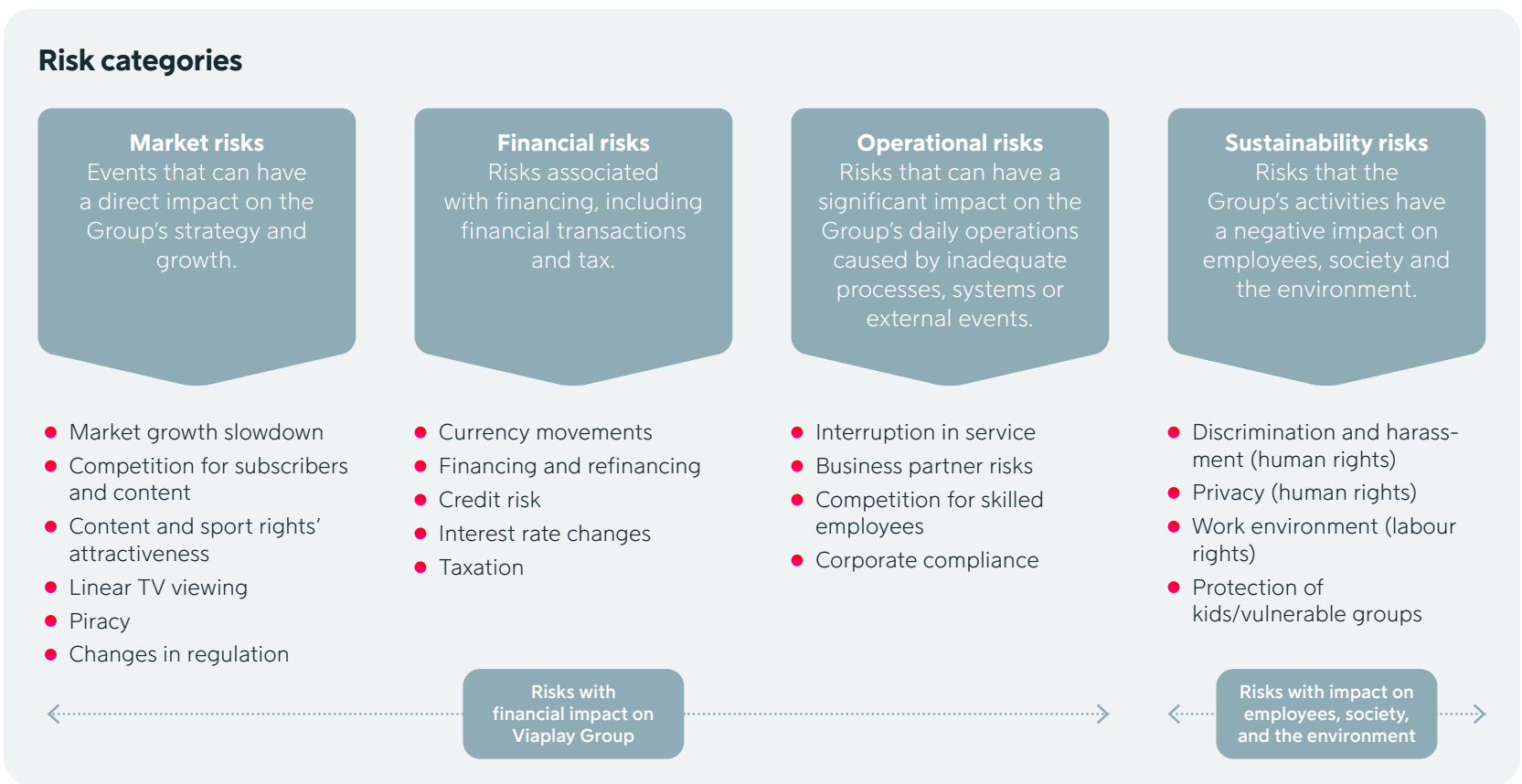
The risk management process is used for:

- 1) Identifying risks to the successful delivery of the targets set.
- 2) Classifying the extent to which individual risks are acceptable or perhaps even desirable.
- 3) Defining mitigation actions to ensure an optimum balance between risk and return.

All risks identified are analysed to establish their financial and non-financial impacts, the likelihood of the occurrence, and cause. Unacceptable risks are thereafter addressed. The process is led by Viaplay Group’s risk management function, but the responsibility of managing the risks lies with the operational business functions. Once the risks are assessed, they are consolidated, evaluated and their mitigations monitored at group level by the Group Executive Management team. The top risks are presented to the Audit Committee on a regular basis and to the Board of Directors at least twice per year.

Viaplay Group has divided its risks into four different categories, of which three regard the impact on Viaplay Group’s financials whilst the fourth regards the impact on employees, society and the environment. On the following pages, the top mid-term risks within each category are described but not prioritised within the category. The development of the risk picture in 2022 is also presented, i.e. whether the likelihood or/and impact of each risk has increased, decreased or stayed unchanged during the year.

In the end of the section, the top three emerging long-term risks are described. These risks are likely to be a higher threat in 3-5 years+ compared to the threat level today.



## Risk

## Market risks

Risk and description	Mitigation	Development during 2022
<b>Market growth slowdown</b> The macroeconomic development globally, with increased inflation and interest rates and the war in Ukraine put pressure on both companies and consumers. There is a risk that this affects Viaplay Group's growth to a higher degree than expected.	<ul style="list-style-type: none"> <li>• SEK 1bn cost mitigation programme launched for 2023.</li> <li>• Work with pricing and packaging.</li> </ul>	<ul style="list-style-type: none"> <li>• New distributor agreements to increase brand exposure and growth in new customer segments.</li> <li>• Maximise the value of our original productions through Viaplay Select.</li> </ul>  <b>Increased</b> due to the macroeconomic development during 2022.
<b>Competition for subscribers and content</b> Viaplay Group competes for subscribers, content, viewers and listeners against local and international players, both in our current markets but also in the new markets we are entering. There is a risk that Viaplay Group sees a higher and tougher competition in the next coming years.	<ul style="list-style-type: none"> <li>• Comprehensive content offering with unique mix of own productions (local and international), and top-class sport rights.</li> <li>• Continue to differentiate with strong local content both in the Nordic markets as well as our new markets.</li> <li>• Secure long-term sport deals in order to avoid extending contracts in competitive markets.</li> </ul>	<ul style="list-style-type: none"> <li>• Be the most preferred production partner. 126 Viaplay original productions premiered in 2022 giving us both experience and recognition.</li> <li>• Secure agreements with both large Hollywood studios (e.g. Sony and NBC Universal) for the big blockbusters as well as independent studios for the more targeted movies and series.</li> </ul>  <b>Unchanged.</b>
<b>Content and sports rights' attractiveness</b> Viaplay Group's ability to generate sales from subscriptions and advertisement is dependent on the ability to develop, produce and procure high quality content attracting a large number of viewers. There is a risk that the procured content, original productions, or sports rights do not attract the expected number of viewers.	<ul style="list-style-type: none"> <li>• Continue assessing and understanding subscriber and viewer trends.</li> <li>• Further diversification of the portfolio, with new sport rights, an increased number of Viaplay original productions and new innovative partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• Key sport rights are secured for each relevant market in addition to an extensive portfolio, to avoid dependency on single rights.</li> <li>• Continue to sell content in our non-core markets.</li> </ul>  <b>Unchanged.</b>
<b>Linear TV viewing</b> Viaplay Group generates ad sales from TV mainly in Sweden, Norway, and Denmark. Viaplay Group has several partners which distribute its content. In the Nordics, TV viewership has generally seen a decline over the last few years. If the decline continues at a higher pace than expected going forward, there is a risk that Viaplay Group's ad sales decrease. There is also a risk that third party distributors will have a lower willingness to pay for our content, channels, and services.	<ul style="list-style-type: none"> <li>• Continue to provide an attractive TV offering e.g., by placing selected attractive sports and local content on basic channels.</li> <li>• Continuously finding ways to increase ad revenue through digital advertising opportunities (e.g. PlutoTV).</li> </ul>	 <b>Unchanged.</b>
<b>Piracy</b> Tech development, global growth of highspeed broadband and the fact that streaming content is divided between several distributors increases the risks of piracy. Partly because it is easier to copy and distribute content, partly because piracy services often collect content from several streaming services which increases the value of the piracy service. Viaplay Group's attractive content including premium sports rights combined with Viaplay Group's global growth also increase the value of Viaplay Group's content.	<ul style="list-style-type: none"> <li>• Dedicated resources working with this risk on an ongoing basis to find new innovative ways to fight piracy.</li> <li>• Lobbying initiatives against piracy at EU and national level.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership with Nordic Content Protection and other organisations fighting piracy.</li> </ul>  <b>Increased.</b> The threat of piracy has increased during 2022. An even more fragmented streaming market in combination with the current macroeconomic situation most likely contributes to this. Piracy services have become even more sophisticated.
<b>Changes in regulation</b> Viaplay Group's business is regulated in many different jurisdictions. The regimes that regulate Viaplay Group's business include both European Union and national laws and regulations related to audio-visual media services, copyright, telecommunications, competition (antitrust) and taxation. Changes in such laws and regulations, particularly in relation to advertising requirements, geoblocking requirements, licensing requirements, access requirements, programming transmission and spectrum specifications, consumer protection, taxation, or other aspects of the Group's business, or those of any of its competitors, could have a materially adverse effect on Viaplay Group's business, financial condition, or operational results.	<ul style="list-style-type: none"> <li>• Continue monitoring and being on top of regulatory development across Viaplay Group markets and lobby where possible.</li> <li>• Support from Public Affairs agency to assist with intelligence gathering and early warning on problematic legislative developments.</li> <li>• Regular meetings with key external stakeholders in ministries and regulators in all markets.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in industry meetings to raise Viaplay Group's corporate profile and priorities, and ensure fair discussions are held.</li> <li>• Board membership of key Brussels coalitions and trade associations and the formation of industry coalitions in the Nordics and Central and Eastern European markets to exchange intelligence, draft industry responses and lobby.</li> </ul>  <b>Unchanged.</b>



## Risk

## Financial risks

## Risk and description

**Currency movements**

Foreign exchange risk is the risk that fluctuations in exchange rates will adversely affect Viaplay Group's income statements, financial position and/or cash flows. Foreign exchange risk is divided into transaction exposure and translation exposure. Translation exposure arises from the conversion of Viaplay Group's subsidiaries and associated companies' earnings and balance sheets into the Swedish Krona reporting currency from other currencies. The transaction exposures in Viaplay Group occur when the subsidiaries have external and internal transactions such as import or export in currencies other than the subsidiary's functional currency. Since many of the subsidiaries report in currencies other than Swedish Krona and transact in foreign currencies, Viaplay Group is exposed to exchange rate fluctuations.

**Financing and refinancing**

Viaplay Group is reliant on access to financing and is therefore exposed to risks associated with disruptions in the capital markets, which could make it more difficult and/or more expensive to obtain financing in the future. Potential events affecting this may include (i) the adoption of new regulations and laws, (ii) the stability of the financial markets or the financial services industry, (iii) and the perceived credit worthiness of Viaplay Group, all of which could result in a reduction in the amount of available credit or equity or increases in the cost of credit. The Group's existing cash balances and credit facilities are currently considered sufficient. Please see note 22 for further information.

**Credit Risk**

Credit risk is defined as the risk that the counterparty in a transaction will not fulfil its contractual obligations and any collateral will not cover the claim of Viaplay Group. The credit risk in Viaplay Group consists of financial credit risk and customer credit risk.

**Interest rate changes**

Interest rate risk is the risk that changes in the market interest rates will adversely affect cash flow, financial assets and liabilities. Viaplay Group's sources of funding are primarily shareholders' equity, cash flows from operations and external borrowing. Interest bearing debt exposes Viaplay Group to interest rate risk as a result of interest rate fluctuations in the financial markets.

**Taxation**

Viaplay Group has operations in several countries, of which the majority is run through the use of subsidiaries. The business is conducted in accordance with Viaplay Group's understanding and interpretation of applicable tax laws, tax treaties, other tax regulations and requirements from relevant tax authorities and international bodies. Amended laws, agreements and other regulations may affect the tax position of Viaplay Group, as would any disagreement of the tax authorities with Viaplay Group's interpretation of existing tax rules.

## Mitigation

- Transaction exposure is hedged mainly for contracted programme acquisition outflows through forward exchange agreements based on a maximum of 36 months forward.

- External borrowing is managed centrally in accordance with the Group's financial policies.
- Loans are primarily taken up by the parent company and transferred to subsidiaries via cash pools, internal loans or capital injections.

- The credit risk with respect to Viaplay Group's trade receivables is diversified among a large number of customers, both private individuals and companies.

- The largest part of the interest-bearing debt has variable interest rate.
- The interest rate could be transformed to fixed with the use of Interest rate swaps.


- Close monitoring of developments in the tax segment in current markets as well as thorough assessment of tax regulations in new markets.
- Viaplay Group analyses complex tax issues and new market tax regulations with the help of external consultants.


- Translation exposure is not hedged.

- Diversified funding sources and maturities.
- Refinancing of all loans are initiated 12 months prior to maturity.


- High credit ratings are required for all material credit sales and solvency information is obtained to reduce the risk of bad debt.

## Development during 2022

 **Increased.** Transaction exposure has increased due to the unstable macroeconomic landscape (war, rising inflation and interests, volatile stock market), international expansion and investments in content for the Nordic markets.

 **Increased.** There is an increased risk that additional financing is required due to the changed macro situation and the weaker economic climate.

 **Unchanged.**

 **Increased.** The interest risk has increased mainly due to lower cash balance which reduces the natural hedge of received interest. General higher interest levels driven by inflation also contributes.

 **Unchanged.**

## Risk

## Operational risks

## Risk and description

**Interruptions in service**

The streaming area constitutes a complex ecosystem of technology and services, all of which needs to work in sync to create a good customer experience. Viaplay Group has become a large-scale streaming company operating in multiple markets. Interruptions in our service can arise from various factors, including but not limited to our own systems, third party suppliers or malicious actors. For example, the cyber threat environment is becoming increasingly sophisticated, especially for companies with high digital presence like Viaplay Group. The attacks could be intrusion to access confidential or sensitive data or interrupting critical business processes for Viaplay Group. Additionally, the customer experience can also be disrupted by factors outside of our control, such as customer devices, WIFI, or network congestion within local ISPs.

**Business partner risks**

We work with partners in various areas of our business (e.g. distribution partners, media companies, service providers, sub-contractors, etc) and are reliable on their financial and operational performance and business ethics. There is a risk that the partners fail to perform at expected standard or meet the contractual obligations. Additionally, there is also a risk that partners violate national and international laws, regulations, and conventions, or adhere to company values or policies. All these risks may imply a negative impact on Viaplay Group's financials and reputation.

**Competition for skilled employees**

Our people are our most important resource. The ability to attract and retain skilled people is prerequisite for our success and growth. The digital transformation in society entails a high demand for tech talents. As Viaplay Group is expanding and developing its platform we will continue to compete for high-skilled talents both within tech and other specialist areas.

**Corporate Compliance**

Adherence to laws and regulations related to anti-bribery & corruption and sanctions is a key element of Viaplay Group's compliance programme. Breaching such rules could have significant negative impact in terms of loss of reputation, brand value, shareholder value, as well as the imposition of financial or criminal penalties.

## Mitigation

- Continued investments in cyber threat intelligence, security architecture, systems & tools, expertise, and processes to identify, protect and respond to cyber threats.
- Risk awareness training and proactive communication to all employees.
- Participating in relevant forums to share ideas and contribute with information and experience.

- Third party onsite audit programme undertaken by Viaplay Group at movie / series productions.
- Screening of business partners and third parties to identify potential risks.
- Suppliers are required to comply with Viaplay Group's Supplier Code of Conduct or such similar policy.

- Continuous improvements to ensure we provide a culture where people can develop and perform at their best.
- Viaplay Group's hybrid working model strengthened.
- Tech-hub opened in Barcelona.


- An effective compliance programme in place including training for Viaplay Group employees and consultants.
- Mandatory signing of Code of Conduct and e-learning for Viaplay Group employees and consultants.

- Continuous investment in platform scaling and resilience.
- Close partnerships with 3rd party vendors.
- Continuous investment in market education around streaming services.

- Risk analyses to identify high-risk business partners and suppliers.
- Continuously review and finetune the supplier due diligence process.


- Active cross functional collaboration with key functions to agree on improvement steps and ensure continued compliance.
- Screening of business partners and third parties to identify potential risks.

## Development during 2022

 **Unchanged.** The number of sophisticated cyber attacks have increased during 2022. Continuous expansion of the Viaplay platform to new markets and increased concurrent viewing volumes also put pressure on the Viaplay platform. However, current and planned mitigations mentioned keep the overall risk on a steady level.

 **Unchanged.** Along with the expansion to new markets and the geo-political situation in the world new risks arises but due to well-functioning planning and processes the risk stays unchanged.

 **Unchanged.**

 **Unchanged.** Along with the expansion to new markets and the geo-political situation in the world new risks arises but due to well-functioning planning and processes the risk stays unchanged.



## Risk

## Sustainability risks

Risk and description	Mitigation	Development during 2022
<b>Discrimination and harassment (human rights)</b> Discrimination regards unfair treatment of a person or group due to gender, sexual orientation, ethnicity, or age during hiring and employment practices. Harassment is defined as unwanted conduct that affects a person's dignity in the workplace or that creates an intimidating, hostile, degrading, humiliating or offensive work environment. Viaplay Group condemns all forms of discrimination and has zero tolerance for any form of harassment within Viaplay Group or the supply chain.	<ul style="list-style-type: none"> <li>Human rights are included in Viaplay Group's Code of Conduct, Human Rights Policy, and Sustainability Policy.</li> <li>Employees are required to sign the Code of Conduct when joining Viaplay Group.</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers are required to sign the Supplier Code of Conduct.</li> <li>Third party onsite audit programme established for review of sustainability issues including potential human rights in productions.</li> </ul>
<b>Privacy (human rights)</b> Viaplay Group is a data driven company and handles large volumes of personal data to offer our services. Any loss, alteration, or unauthorised disclosure of personal data, due to either mishandling or cyber attacks, violates users' right to privacy and is in breach of applicable data protection legislation. Expanding our services into new markets leads to further complexities and vulnerabilities and requires a broadened and more advanced manner to handle and adequately protect personal data. For further information, see page 135.	<ul style="list-style-type: none"> <li>Dedicated Privacy team consisting of privacy experts in place and an established Data Protection Governance Framework to support the business in identifying and mitigating risks.</li> <li>Yearly roadmap and governance wheel established to prioritise and map out the mitigating of identified risks.</li> </ul>	<ul style="list-style-type: none"> <li>Clear Data breach procedures in place.</li> <li>Continued investments in cyber threat intelligence, security architecture, systems &amp; tools, expertise and processes to identify, protect and respond to cyber threats.</li> </ul>
<b>Work environment (labour rights)</b> Viaplay Group defines unhealthy working environment as unrealistic workload, unprofessional or dishonest behaviour, negative communication, or unclear goals. This could lead to stress, mental illness, depression or disengagement. For further information, see page 116.	<ul style="list-style-type: none"> <li>In our everyday work we ensure to involve and emphasise Viaplay Group's values of Bravery, Equality, Appreciation and Trust. This helps us create a mutual understanding of how we want to behave in our work and with our colleagues.</li> <li>Clear, sound and well-communicated work-life balance principles.</li> </ul>	<ul style="list-style-type: none"> <li>Viaplay Group's hybrid working model strengthened.</li> <li>Onsite audit programme on productions which is thereafter followed up with corrective action plans.</li> </ul>
<b>Protection of kids/vulnerable groups</b> Kids and vulnerable groups are active users of Viaplay Group's services and are vulnerable to inappropriate content. If Viaplay Group's services are not managed correctly, this can lead to physical or emotional harm. For further information, see page 128.	<ul style="list-style-type: none"> <li>Dedicated Content Compliance team that screens all content and applies scheduling restrictions to ensure children and vulnerable groups are protected from potentially harmful material.</li> <li>Provision of onscreen warnings if a series or film contains potentially offensive, sexual or violent content.</li> </ul>	<ul style="list-style-type: none"> <li>Parents can set the Viaplay kids' section as a default, control access to other content via a pin code, and create dedicated kids' profiles that filter out unsuitable content.</li> </ul>

Risk

Long-term emerging risks

We define emerging risks as uncertainties stemming from known or unconsidered sources which are not possible to fully asses, yet are expected to have a long term impact on the Group. The table below shows the top three emerging long-term risks identified in 2022 that may have a significant impact on Viaplay Group’s business in the future, on a time horizon of 3-5 years+.

Risk	Risk Description	Mitigation
Market consolidation Risk category: Market	Consolidation in the streaming services market may increase competition for subscribers and put pressure on Viaplay Group to remain competitive.	Continue to differentiate with a unique mix of own productions and top-class sport rights, as well as assessing and understanding subscriber and viewer trends.
Cyber attacks Risk category: Operational	Due to the geopolitical tension as well as the expected digital development, there is a risk that the threat of cyber attacks will emerge more clearly in the time horizon of 3-5 years+. Impacts of potential cyber attacks include financial and reputational losses, as well as increased operational costs.	Continued investments in the cyber threat area as well as risk awareness training and proactive communication to all employees.
Climate change, environmental, social and governance issues Risk category: Sustainability	Rising levels of stakeholder awareness and engagement with environment, social and governance issues as well as the increased pace of legislation aimed at driving progress towards governmental and intergovernmental objectives related to climate raises the stakes on companies managing these issues. This may have financial as well as reputational impact on the Group.	Continued resource allocation and prioritisation of sustainability across our business in line with the sustainability roadmap and new reporting schemes and frameworks.

TCFD report

# Task Force on Climate-related Financial Disclosures (TCFD)

Through the implementation of the Task Force on Climate-related Financial Disclosures’ (TCFD) recommendations, we invite our stakeholders to get a better understanding of our most material climate-related risks and opportunities, as well as our approach to managing them. The following disclosure addresses all elements of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets.

### Governance

Viaplay Group’s Board of Directors has the ultimate responsibility for the business strategy, including the management of climate-related risks and opportunities and how the business strategy relates to sustainability issues more broadly. The Board fulfils this responsibility by engaging in the ongoing review of principal and emerging risks via the Audit Committee, as well as engaging with the development and refinement of the Group’s sustainability strategy via regular meetings with management on climate-related topics such as emission reduction planning and progress.

Sustainability risks are continuously monitored by the Group’s sustainability department according to the risk management processes outlined in the next section. Additionally, climate-related financial risks and opportunities occurring across the Group’s business operations are evaluated on an ongoing basis through a process driven by the Climate Risk Committee. The Climate Risk Committee meets on a quarterly basis to continuously monitor identified climate-related issues that have the potential to have a material impact on the organisation and manages the annual review process to update this assessment with stakeholders across the group in which potential impacts are assessed over different time horizons. Any emerging issues are communicated directly to Group Executive Management, which in turn takes relevant issues to the Board.

### Risk management

The risk management process for identifying, classifying, and managing climate-related risks is led by Viaplay Group’s Climate Risk Committee and is aligned with the overall risk management process described on page 29 of the Risk and Risk management section of this report.

### Strategy

After conducting a detailed qualitative risk assessment, Viaplay Group has identified three key climate-related risks with the greatest potential negative impact on the Group’s financial results: pricing / taxation of carbon emissions, higher expectations for climate-related performance, and disruptions in our content value chain related to production and distribution. None of the identified risks is believed to be critical enough to fundamentally challenge Viaplay Group’s business operations or its ability to generate revenue, cashflows, and profits.

The detailed risk assessment identified both physical and transition risks across Viaplay Group’s value chain and scored all identified risks based on likelihood and impact as part of the review process. A timeframe for the materialisation of each risk was also included in the detailed assessment and further modelling was done to determine key risks and opportunities, which were also categorised according to Viaplay Group’s risk management system. A high-level summary of the results of the assessment, including the impact of assessed climate-related risks on our value chain, can be found on page 37.

### Scenario analysis

A range of complexities exist due to the uncertainties of the trajectory of global greenhouse gas emissions and the long-term impact of climate change, which may have unforeseen impacts on our business, the environment, and society. To address this, the likelihood of the risks to occur has also been assessed under two scenarios based on IPCC Representative Concentration Pathways (RCP) scenarios representing a low-carbon future 1.5°C and a high-carbon scenario (2-4°C).

This analysis should not be seen as a prognosis of the future, but as an effort to identify and assess potential climate-related risks that could occur in the near to long-term future. Viaplay Group’s Climate Risk Committee aims to continuously assess the potential impact of identified climate-related risks on Group strategies and operations, as well as refine the assessment methodology to reflect improved understanding of climate-risks over time, which may lead to different prioritisation of risks and a different assessment of their materiality.

## Climate Change Scenarios

### Low Carbon Scenario

#### Transition / 1.5C° / RCP 1.9

This scenario entails a future in-line with the ambitions of the Paris Agreement where rapid emission reductions have limited global temperature change to 1.5C°. Transition impacts are most pronounced and physical impacts such as rising sea-levels will be extensive over the rest of the century but manageable. Governments have enacted strategies for implementing rapid emission reductions in the lead up to 2030 and schemes to secure negative emissions by the end of the century.

### High Carbon Scenario

#### Business as usual / 4-5C° / RCP 8.5

This scenario entails a future in which global GHG emissions continue to rise, without sufficient action to address them, leading to potential mean temperature increases of 4–5°C by the end of the century. Extreme physical impacts including increasingly frequent extreme weather events, wide spread ecosystem failures, and significant sea-level rise are likely to be widespread and increasingly unmanageable in the lead up to the end of the century.

### Considered time horizons

Short-term: < 5 years

Medium-term: 5-10 years

Long-term: >10 years



TCFD report

Climate change scenarios - Identified key risks

Description & potential impact	Low carbon scenario	High carbon scenario	Mitigation iniatives
<p><b>Increased regulation of carbon emissions</b></p> <p><b>Risk Category: Market, Financial</b> Governments have committed to reduce emissions in line with the Paris agreement and companies may face increased regulation of emissions as a means of reaching these targets. Regulations to control carbon emissions may include: limits or taxation on direct emissions, domestic air travel or other purchased carbon intensive goods and services; advertising restrictions on carbon intensive products, imposition of energy efficiency requirements.</p> <p><b>Potential impacts:</b> Increased costs across value chain, reduced revenue from advertising streams, financial penalties in the event of non-compliance.</p>	<p> <b>Highly increased likelihood – medium-term</b> Viaplay Group is working to reduce emissions across its value chain in order to achieve ambitious climate targets in-line with this scenario. As a result, it is increasingly well positioned to adapt to this risk with minimal financial exposure.</p>	<p> <b>No increase – long-term</b> Assumes governmental intervention is minimal with no additional restrictions on carbon emissions impact Viaplay Group's financial results.</p>	<ul style="list-style-type: none"><li>• Viaplay Group stays well-informed of proposed legislative changes that effect its business directly and indirectly, and environmental regulations are included in the regulatory risk monitoring process.</li><li>• Current emission reduction targets are aligned with ambitions of low carbon scenario.</li></ul>
<p><b>Increased expectations for climate-related performance</b></p> <p><b>Risk Category: Financial, Market, Operational</b> Expectations for climate-related performance are increasing from investors, customers, and other stakeholders as awarness of and public concern about environmental issues particularly those concerning climate grow. Expectation for demonstrating leadership on climate-action are also increasing in scope to include company's entire value chains as opposed to only their own operations.</p> <p><b>Potential impacts:</b> Increased subscriber churn, talent attraction &amp; retention- resulting in revenue loss.</p>	<p> <b>Highly increased likelihood – medium-term</b> Impacts are contingent upon market performance when benchmarked against global competitors; ability to effectively perform and communicate on sustainability strategy. Failure to show adequate awareness, action, and leadership on climate may result in reputational loss, impact market valuation, subscriber &amp; talent attraction and retention.</p>	<p> <b>Increased likelihood – long-term</b> Public awareness and interest are likely to continue to grow as the physical impacts of climate change become pronounced, companies and brands in the entertainment and streaming sector failing to address these issues would likely see moderate revenue losses and/or missed growth opportunities.</p>	<ul style="list-style-type: none"><li>• Viaplay Group has released a report on the climate impact of its streaming value chain, participates in multiple investor indices, and reports on sustainability performance according to global and European standards.</li><li>• Current initiatives to incorporate sustainability and climate.</li></ul>
<p><b>Disruptions in our content value chain – production and distribution</b></p> <p><b>Risk Category: Operational, Financial</b> Increased physical climate risks such as extreme weather events causing flooding, heat waves and wildfires. Increased global temperatures, rising sea levels and fluctuating precipitation in the long-term.</p> <p><b>Potential impacts:</b> Operational disruption to productions that may result in delays, rescheduling, or cancellations - particularly live events such as sports. May lead to the production of less content, reputational loss, decreased value propositions to customers and adjusted pricing.</p>	<p> <b>Increased likelihood – short to long-term</b> Extreme weather events are already increasing in frequency and severity. In this scenario the risk-level of these events is assumed to be manageable with current processes. In the long-term increased severity and frequency of occurrence may require a re-evaluation of criteria for investing in productions that are susceptible to this risk.</p>	<p> <b>Highly increased likelihood – medium to long-term</b> Significant increases in the frequency and severity of extreme weather events will result in increased costs from investing in resilience measures, reinforcing emergency contingency processes, rising insurance costs, and other adaptation efforts. Impacts upon revenue streams may become substantial in the long-term that content strategy may need to be revisited.</p>	<ul style="list-style-type: none"><li>• Viaplay Group includes the risk of environmental disasters and potential weather events in criteria when making decisions on filming locations. Emergency response plans and business continuity procedures including insurance, evacuation protocols, and sourcing alternatives are prepared and distributed accordingly.</li><li>• Sustainability risk assessments of productions including third-party on-site audits are also regularly conducted, which include physical climate risks.</li></ul>

TCFD Report

Climate-related risk assessment

Risk Description		Likelihood		Potential impact on value chain			
		Low Carbon Scenario	High Carbon Scenario	Buying & creating content	Packaging & marketing	Content distribution	Consumer experience
Physical risks							
Acute	Increased frequency of extreme weather events	↗	↗	●	●	●	●
Chronic	Increased rising global temperatures, sea level rise and changing precipitation patterns	↗	↗	●	●	●	●
Transition risks							
Market	Increased demand from stakeholders to reduce climate and enviornmental impact	↗	↗	●	●	●	●
Policy	Increased regulation and taxation relating to climate and environment	↗	→	●	●	●	●
Reputation	Increased scrutiny if streaming services are considerd not to be environmentally friendly	↗	→	●	●	●	●
Infrastructure	Unreliable electricity supply due to transition to renewable energy	↗	→	●	●	●	●
		Likelihood		Potential Impact			
		↗ Highly increased		● High		● Low	
		↗ Increased		● Medium		● Minor impact/ no effect	
		→ No change					

Metrics & targets

Viaplay Group has reported on its carbon footprint since its inception, measures its emissions according to GHG Protocol guidance and continuously works to improve its understanding of the impact its operations and value-chain have on the climate. Viaplay Group sets targets for absolute reductions in GHG emissions across its operations and works towards them as the primary means of mitigating climate related transitional risks. The Group has had its climate targets validated by the Science Based Targets initiative at the end of 2022. These targets are aligned with the 1.5 degree pathway. Climate reporting is included in annual reporting and is externally validated. It can be found in the Operations, productions, and the environment section of the Sustainability report on page 109.

## Governance report

# Governance and responsibility

Corporate governance of Viaplay Group is exercised through a number of corporate bodies according to applicable laws, rules and internal processes. At the Annual General Meeting, shareholders exercise their voting rights with regard to the composition of the Board of Directors of Viaplay Group and election of external auditors. The duties of the Board are partly exercised through its Audit Committee and Remuneration Committee. The Chief Executive Officer of Viaplay Group is in charge of the day-to-day management of the Group in accordance with guidelines and instructions from the Board.

## Corporate Governance

As a public limited company with securities listed on Nasdaq Stockholm, Viaplay Group is subject to a variety of external rules that affect its governance, such as the Swedish Companies Act, the Rulebook for Issuers on Nasdaq Stockholm, the Swedish Code of Corporate Governance (the "Code"), and the generally accepted principles in the securities market.

Viaplay Group has also established an internal Steering Document Framework consisting of Codes of Conduct, Group policies and directives, which express the Group's values and commitment to conduct business in compliance with laws and regulations, standards, and initiatives.

## Sustainability

Viaplay Group's sustainability work is a central part of the company's business and governance. It is based on, and closely aligned with, the Group's purpose, values, strategy, and culture, and includes its own sustainability strategy, policy framework, roadmap, and initiatives. Reporting is conducted in accordance with the GRI standards and is reviewed and approved by the Board of Directors. Responsibility for the overarching sustainability strategy, goals, actions, and follow-up rests with the Board of Directors. The Board monitors the work through regular updates, which also include discussion

about sustainability trends, risks, and developments. The business functions, as well as individual entities across the Group, have operational responsibility for implementing and meeting relevant goals and targets. Working groups have been established to drive improvement across the Group. The results of Viaplay Group's sustainability work are reported as an integrated part of the Annual and Sustainability Report 2022.

## Shareholders

For information about Viaplay Group's ownership structure, share capital and shares, please refer to "The Viaplay Group share" on page 14. Information regularly provided to shareholders includes interim and full year reports, Annual reports and press releases on significant events occurring during the year. All reports, press releases and other information can be found at [www.viaplaygroup.com](http://www.viaplaygroup.com).

## Annual General Meeting

The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the company's Articles of Association determine how notices to the Annual General Meeting and Extraordinary General Meetings shall be issued, and who has the right to participate in, and vote at, the meetings. There are no restrictions on the number of votes each shareholder may cast at General

Meetings. Each Class A share entitles the holder to ten votes, and each Class B and Class C share entitles the holder to one vote. The Board has the right before a General Meeting to decide that shareholders shall be able to exercise their rights to vote by post before the General Meeting. For information about authorisations approved by the Annual General Meeting for the Board to resolve on share buy-backs, please refer to "The Viaplay Group share" on page 14.

## The Nomination Committee

The Nomination Committee comprise of representatives of some of Viaplay Group's largest shareholders, and its responsibilities include:

- To evaluate the Board of Director's work and composition.
- To submit proposals to the Annual General Meeting regarding the election of the Board of Directors and the Chair of the Board.
- To prepare proposals regarding the election of Auditors in cooperation with the Audit Committee (when applicable).
- To prepare proposals regarding the fees to be paid to the Board of Directors and to the Company's Auditors.
- To prepare proposals for the Chair of the Annual General Meeting.

- To prepare proposals for the administration and order of appointment of the Nomination Committee for the Annual General Meeting.

In accordance with the applicable procedures of the Nomination Committee, the Chair of the Viaplay Group Board convened a Nomination Committee to prepare proposals for the 2023 Annual General Meeting. The Nomination Committee comprises Vegard Torsnes, appointed by Norges Bank; Mattias Nilsson, appointed by Handelsbanken Fonder; Filippa Gerstädt, appointed by Nordea Funds; and Pernille Erenbjerg, Chair of the Viaplay Group Board. The members of the Nomination Committee appointed Filippa Gerstädt as Committee Chair at their first meeting. Information about how shareholders can submit proposals to the Nomination Committee is available at [www.viaplaygroup.com/about/corporate-governance/nomination-committee](http://www.viaplaygroup.com/about/corporate-governance/nomination-committee), where the Nomination Committee's motivated statement regarding its proposal to the Annual General Meeting and a brief presentation of its work will also be published well in advance of the Annual General Meeting on 16 May 2023.

In its work, the Nomination Committee applies Section III, 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Nomination Committee gives particular consideration to the importance



Governance report

of increased diversity in Board representation, including gender, age, and nationality, as well as depth of experience, professional background, and skillset.

The Board of Directors

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General Meeting. The Articles of Association contain no restrictions regarding the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than nine, all of which are to be elected at the Annual General Meeting. The Board of Directors of Viaplay Group AB has comprised of six Non-Executive Directors during 2022: Pernille Erenbjerg (Chair), Natalie Tydeman, Simon Duffy, Kristina Schauman, Anders Borg and Andrew House. The Board has complied with the Code’s provision that the majority of members shall be independent of the company and its management, and that at least two of the members shall also be independent of the company’s major shareholders (i.e., those with a holding exceeding 10%). Biographical information about each Board member can be found on page 42.

Responsibilities and duties of the Board of Directors

Viaplay Group’s Board of Directors is responsible for the overall strategy of the Group, and for organising its administration in accordance with the Swedish Companies Act.

The Board’s work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved at least once annually. A Remuneration Committee and an Audit Committee have been established within the Board as subsidiary bodies of the Board, and do not reduce the

Board’s overall responsibility for the governance of the Company and the decisions taken.

The work of the Board

During the year, the Board of Directors held eleven (11) ordinary Board meetings. Prior to each meeting, the members receive a written agenda, based on the Board’s established procedures, and a complete set of documents for information sharing and decision making. Recurring items on the Board’s agenda include the company’s financial performance and position, market conditions, investments, and adoption of the financial statements. Reports by the Audit and Remuneration Committees, as well as reports on internal controls and financing activities, are also regularly addressed. Important issues addressed during the year included strategic expansion plans, major investments, acquisitions, key market developments and commercial partnering decisions. The Chief Executive Officer presents matters for discussion at the meetings, and the Company’s Chief Financial Officer and other members of management also participate and present specific matters. The Group General Counsel acts as the Board secretary.

The attendance of Board members at Board and committee meetings during 2022 is presented below.

Ensuring quality in Financial Reporting

The reporting instructions approved annually by the Board include detailed instructions about the type of financial reports and other information to be submitted to the Board. In addition to the interim and full year reports, the Board reviews and evaluates financial information regarding the Group as a whole, as well as the entities within the Group. The Board also reviews, primarily through its Audit Committee, the most important accounting principles applied by the Group in its financial reporting, as well as any major changes in

these principles. The tasks of the Audit Committee also include reviewing reports regarding internal controls and financial reporting processes, as well as internal audit reports submitted by the Group’s internal audit function. The Group’s external auditors report to the Board, as and when required. The external auditor also reports to the Audit Committee. Minutes are taken at all meetings and are made available to all Board members and the external auditor.

Evaluation of the Board of Directors and the Chief Executive Officer

The Board conducts an annual performance review process to assess the work and procedures of the Board and its committees. The objective of the review process is to gain a better understanding of the issues that the Board finds warrant greater focus, as well as to determine areas where additional competence may be needed within the Board and whether the Board composition can be improved. The evaluation also serves as

guidance for the work of the Nomination Committee. The evaluation tools include detailed questionnaires and discussions. The questionnaire includes a mix of multiple-choice questions, quantitative ranking, and open questions. Every third year, a more extensive Board evaluation is undertaken by an external consultant, and such evaluation was conducted during 2022. The Chair presents the outcome of the Board evaluation to the full Board and to the Nomination Committee, both of whom discuss the result in detail.

Remuneration Committee

The Remuneration Committee comprise of Natalie Tydeman (Chair), Andrew House and Anders Borg. The Remuneration Committee’s assignments are stipulated in Section III, 9.1 of the Code, and cover salaries, pension terms and conditions, incentive programmes, and other conditions of employment for senior executives. The guidelines applied by the Group in 2022 are presented in note 7. Minutes are kept of the Remuneration

Board of Directors and attendance at Board and Committee meetings 2022

Board members	Board meetings <sup>1</sup>	Audit Committee meetings <sup>2</sup>	Remuneration Committee meetings <sup>3</sup>	Independent of major shareholders	Independent of the company and management
Pernille Erenbjerg	11/11	–	–	Yes	Yes
Natalie Tydeman	11/11	–	6/6	Yes	Yes
Simon Duffy	11/11	7/7	–	Yes	Yes
Andrew House	11/11	7/7	6/6	Yes	Yes
Kristina Schauman	11/11	7/7	–	Yes	Yes
Anders Borg	11/11	7/7	6/6	Yes	Yes

1) The total number of Board meetings during 2022 were 11, of which 4 were held prior to the Annual General Meeting held on 19 May 2022 and 7 were held following the 2022 Annual General Meeting.

2) The total number of Audit Committee meetings during 2022 were 7, of which 3 were held prior to the Annual General Meeting held on 19 May 2022 and 4 were held following the 2022 Annual General Meeting.

3) The total number of Remuneration Committee meetings during 2022 were 6, of which 2 were held prior to the Annual General Meeting held on 19 May 2022 and 4 were held following the 2022 Annual General Meeting.

## Governance report

Committee's meetings and reported to the Board at its next meeting.

### The Audit Committee

The Audit Committee comprise of Simon Duffy (Chair), Kristina Schauman, Andrew House, Anders Borg. The Audit Committee's assignments are stipulated in Chapter 8, Section 49 b of the Swedish Companies Act. The Audit Committee's tasks include monitoring Viaplay Group's financial reporting and the efficiency of internal controls and internal audits, as well as maintaining frequent contact with the external and internal auditors. The Audit Committee's work primarily focuses on the quality and accuracy of the Group's financial accounting and accompanying reporting, as well as its internal financial controls. The Audit Committee also evaluates the auditors' work, qualifications, and independence. The Audit Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with Viaplay Group's financial reporting, and reports its observations to the Board. Minutes are kept of the Audit Committee's meetings and are reported to the Board at its next meeting.

### Remuneration of Board Members

The remuneration of Board members for Board work and work in the committees of the Board is proposed by the Nomination Committee and approved by the Annual General Meeting. The Nomination Committee proposal is based on benchmarking of peer group company compensation. Information about the remuneration of Board members is provided in note 7. Board members do not participate in the Group's incentive plans.

### External Auditors

KPMG was elected as Viaplay Group's auditor for the financial year 2022 until the end of the 2023 Annual General Meeting. KPMG was appointed in 2018 as

the Group's external auditor in connection with the company's formation and was re-elected in connection with the company's listing in 2019. Tomas Gerhardsson, Authorised Public Accountant, has been responsible for the audit on behalf of KPMG since 2021. Audit assignments have involved the examination of the Annual Report and financial accounting, the administration by the Board and the CEO, other tasks related to the duties of a company auditor, and consultation or other services that may have resulted from observations noted during such examination or the implementation of other tasks. All other tasks are defined as other assignments. The auditor reports its findings to the shareholders by means of the auditor's report, which is presented to the Annual General Meeting. In addition, the auditor's report detailed findings at ordinary meetings of the Audit Committee and to the full Board as necessary. KPMG provided certain additional services in 2022. These services mainly comprised tax compliance services and other assignments of a similar kind and closely related to the audit process. For more detailed information about the auditor's fees, please see note 30.

### Pre-approval of policies and procedures for Non-audit related services

To ensure the auditor's independence, the Audit Committee has established pre-approval policies and procedures for non-audit related services to be performed by the external auditor. The policy was approved in November 2022 by the Audit Committee.

### Group Executive Management

At the end of 2022, the members of the Group Executive Management team were Chief Executive Officer, Chief Financial Officer and ten other members. Biographical information, including shareholdings as of 31 December 2022, for each member of the Group

Executive Management team is provided on pages 43–44.

### Chief Executive Officer

The CEO is responsible for the ongoing management of the Company in accordance with the instructions established by the Board. In consultation with the Chair of the Board, the CEO prepares the information and documentation required as the basis for the work of the Board and to enable Board members to make well-informed decisions. The CEO is supported by the Executive Management team. The Board evaluates the performance of the CEO on a regular basis. The Board also holds a meeting once a year to evaluate the CEO's performance, without the attendance of the CEO or any other member of the Group Executive Management team. The CEO and the Executive Management team – supported by the various employee functions – are responsible for adherence to the Group's overall strategy, financial and business controls, financing, capital structure, risk management, mergers, divestments, and acquisitions. This includes the preparation of financial reports and information to, and communication with shareholders and capital markets participants. Viaplay Group has established a Steering Document Framework consisting of Codes of Conduct, Group policies and directives, which express the Group's values and commitment to conduct business in full compliance with laws and regulations, standards, and initiatives.

### Executive remuneration

The existing guidelines for the remuneration of the Group Executive Management team, which were approved at the 2020 Annual General Meeting, can be found in note 7. Included in note 7 is also further information regarding the application of, and deviation from, the existing guidelines, as well as the remuneration paid during 2022. It is the Board and Remuneration Commit-

tee's intentions that the guidelines shall apply for four years from approval in 2020. Therefore, no changes have been proposed for 2023.

### Internal controls

The processes for the internal control, risk assessment, communication and monitoring of financial reporting are designed to ensure reliable overall financial reporting and external financial statements, in accordance with International Financial Reporting Standards, applicable laws and regulations and other requirements for companies listed on Nasdaq Stockholm. This process involves the Board, Group Executive Management, and other company employees.

### Control environment

The Board has specified a set of instructions and working processes regarding the roles and responsibilities of the Chief Executive Officer and the Board committees. The Board also has a number of established guidelines and policies, which are important for its internal control activities. This includes the monitoring of performance against plans and prior years. The Audit Committee assists the Board in overseeing various issues, such as monitoring internal audits and establishing accounting policies for the Group. The responsibility for maintaining an effective control environment and internal control over financial reporting is delegated to the Chief Executive Officer. Other Executive Managers at various levels have respective responsibilities. The Group Executive Management team regularly reports to the Board according to established routines and in addition to the Audit Committee's reports. Defined responsibilities, instructions, guidelines, manuals, and policies, as well as laws and regulations, together comprise the control environment. All employees are accountable for compliance with these policies and guidelines.

Governance report

Risk assessment and control activities

The Company has developed a risk management framework defined to identify and quantify risks in all group functions, which are reviewed by the Board of Directors and the Audit Committee. More information about Viaplay Group's risk management process and the top risks can be found in the section Risk Management and Risks on page 29.

Corporate compliance

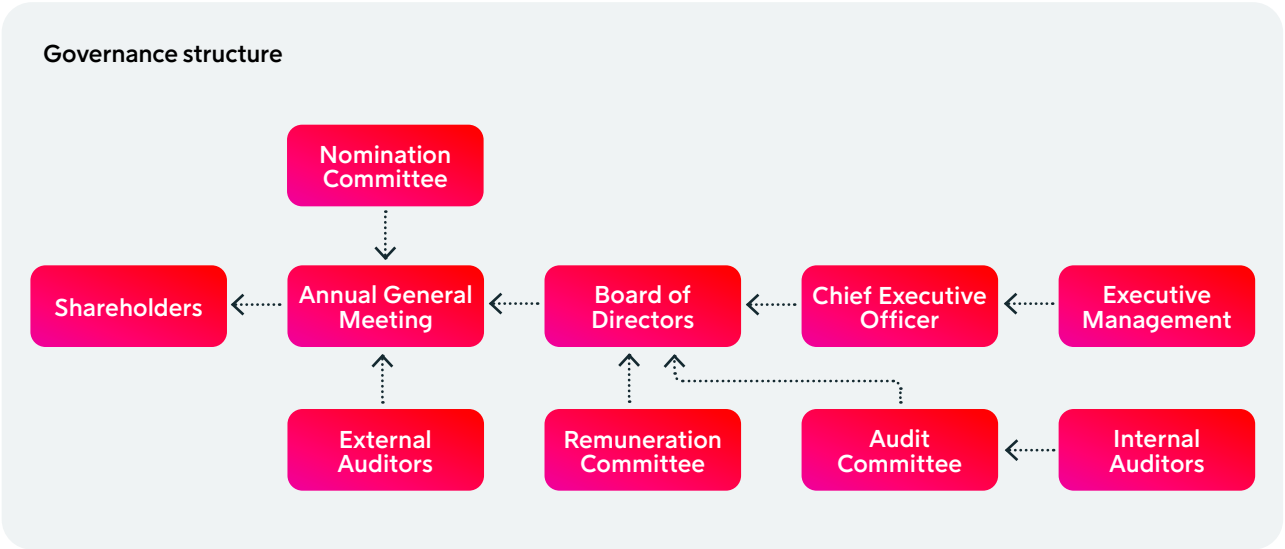
The corporate compliance function's responsibilities are to review, evaluate and raise awareness about corporate compliance issues within the organisation, in order to ensure that the Company through its management and employees complies with the laws and regulations in the most significant risk areas, such as sanctions, anti-bribery and corruption. The Head of Corporate Compliance also manages Viaplay Group's Codes of Conduct and ensures implementation through e-learning and targeted trainings. The Head of Corporate Compliance presents the progress made with the compliance programme to the Audit Committee, and also reports on any incidents and ongoing investigations.

Information and communication

Guidelines used in the Company's financial reporting are updated and communicated to the employees concerned on an ongoing basis. There are both formal and informal communication channels to the Group Executive Management team and Board of Directors for information from employees identified as significant. Guidelines for external communication ensure that the Company applies the highest standards in providing accurate information to the capital markets.

Follow-up

The Board of Directors regularly evaluates the information provided by the Group Executive Management and the Audit Committee. The Board receives updates about the Group's development between meetings. The Group's financial position, strategies and investments are discussed at every Board meeting. The Audit Committee reviews the quarterly reports prior to publication and is also responsible for following up on internal control activities. This work includes ensuring that measures are taken to deal with any inaccuracy and following up suggestions for actions emerging from the internal and external audits. The Group has an independent internal audit function responsible for the evaluation of risk management and internal control activities. This work includes scrutinising the application of established routines and guidelines. The internal audit function plans its work in cooperation with the Audit Committee and reports the result of its reviews to the Audit Committee. The external auditor reports to the Audit Committee at their ordinary meetings.





## Board of Directors



### Pernille Erenbjerg

Chair of the Board since 2021, member of the Board since 2020.

Danish, born 1967.

**Background:** BSc and Master of Science from Copenhagen Business School. Deputy Chair of the Board of Directors of DFDS, member of the Board of Directors of the Royal Danish Theatre and Nordea. Senior positions at TDC including Group CEO and President from 2015 to 2018 and Group CFO from 2011 to 2015.

**Other current board positions:** Board member of RTL Group, Nordic Connectivity (Global Connect) AB. Deputy Chair of Genmab, and of Millicom International Cellular.

Independent of the company, management, and the major shareholders.

**Ownership (including closely associated persons):** 9,290 VPLAY Class B shares.



### Anders Borg

Non-Executive Director since 2018, member of the Audit Committee and Remuneration Committee.

Swedish, born 1968.

**Background:** Economics, economic history, political science, and philosophy at the universities of Stockholm and Uppsala. Sweden's Minister of Finance from 2006 to 2014. Served on the boards of several companies in the telecommunication, fintech and public administration sectors. Previously worked for Citigroup, ABN AMRO, SEB, Tele2, and Millicom and has been an active member of the World Economic Forum for many years.

**Other current board positions:** Chair of Sehlhall Fastigheter AB, Checkin.com and DanAds. Member of the Board of Directors of Stena International and Rud Pedersen Group. Senior Advisor to East Capital, Amundi, Kinnevik and Nordic Capital.

Independent of the company, management, and the major shareholders.

**Ownership (including closely associated persons):** 5,238 VPLAY Class B shares.



### Simon Duffy

Non-Executive Director since 2018, Chair of the Audit Committee.

British, born 1949.

**Background:** Master's degree from the University of Oxford, MBA from Harvard Business School. Previously Executive Chair of Tradus plc, Executive Vice-Chair of ntl:Telewest, CEO of ntl, CFO of Orange SA, CEO of End2End AS, CEO and Deputy Chair of WorldOnline International BV and senior positions at EMI Group plc and Guinness plc.

**Other current Board positions:** Non-Executive Chair of Modern Times Group MTG AB and of YouView TV Ltd. Non-executive Director of Avianca Group International Limited.

Independent of the company, its management, and major shareholders.

**Ownership (including closely associated persons):** 2,000 VPLAY Class B shares.



### Andrew House

Non-Executive Director since 2021, member of the Audit Committee and Remuneration Committee.

British citizen, born 1965.

**Background:** BA Hons degree in English Language and Literature from Oxford University. Various senior roles at Sony Corporation from 1990 to 2017 including President and CEO of Sony Interactive Entertainment, President and CEO of Sony Computer Entertainment Europe, and Chief Marketing Officer for Sony Corporation. Also works with private equity investment in the interactive entertainment space.

**Other current board positions:** Non-Executive Director of Nissan Motor Limited and of Dentsu Group, advisory Board member of Intelity, and a mentor with the Exco Group (formerly Merryck & Co).

Independent of the company, management, and the major shareholders.

**Ownership (including closely associated persons):** 0 VPLAY Class B shares.



### Kristina Schauman

Non-Executive Director since 2018, member of the Audit Committee.

Swedish, born 1965.

**Background:** Degree in Business Administration and Economics from Stockholm School of Economics. Partner and owner of advisory firm Calea AB, previously Board member of state-owned Apoteket AB from 2009 to 2018 and acting CEO and CFO during 2010 and 2011. CFO of Carnegie Investment Bank AB from 2008 to 2009 and of OMX AB from 2004 to 2008. Various finance roles for Investor AB, ABB and Stora.

**Other current board positions:** Member of the Board of Coor Service Management Holding AB, AFRY AB and BEWi ASA.

Independent of the company, management, and the major shareholders.

**Ownership (including closely associated persons):** 6,000 VPLAY Class B shares.



### Natalie Tydeman

Non-Executive Director since 2018, Chair of Remuneration Committee.

British, born 1971.

**Background:** Graduate of the University of Oxford and Harvard Business School. Senior Investment Director at Kinnevik AB. Previously Managing Partner of v | t Partners and Senior Partner at GMT Communications Partners. Senior executive roles at Excite in Europe, Discovery Communications' European internet operations, Fox Kids Europe's Online & Interactive division, and Senior Vice President at Fremantle Media.

**Other current board positions:** Non-Executive Director of Modern Times Group MTG AB and Non-Executive.

Director of Kinnevik portfolio companies.

Independent of the company, management, and the major shareholders.

**Ownership (including closely associated persons):** 562 VPLAY Class B shares.

Group Executive Management



Anders Jensen

President and CEO, joined the Group in 2014. Swedish, born 1969.

**Background:** President and CEO since March 2018. Previously EVP & CEO of MTG Nordic Entertainment. Senior EVP and CEO of the consumer division at TDC Group, CEO of Telenor Hungary, CEO of Grameenphone in Bangladesh, and Chief Marketing Officer of Vodafone/Telenor in Sweden.

**Ownership (including closely associated persons):** 116,282 VPLAY Class B shares.



Enrique Patrickson

EVP and Chief Financial Officer, joined the Group in 2022. Swedish, born 1973.

**Background:** MSc in Business Administration from Linköping University. Appointed EVP and Chief Financial Officer in 2022. Prior to that CFO and VP of Sales, Asia-Pacific & Middle East and Africa at Electrolux. Prior to that various leadership roles with focus on business development and M&A at ASSA ABLOY.

**Ownership (including closely associated persons):** 1,354 VPLAY Class B shares.



Alexander Bastin

EVP and Chief Commercial Officer Continental Europe & Baltics, joined the Group in 2013. Swedish, born 1989.

**Background:** BSc in Business and Economics from Uppsala University. Appointed EVP and Chief Commercial Officer Continental Europe & Baltics and member of the Group Executive Management team in December 2022. Previously CEO Viaplay Studios and SVP Commercial Affairs Scripted at Viaplay Group and held several leadership positions focusing on commercial strategy, digital advertising, and subscription revenue. Previously worked in TV production, developing, and producing content with production groups such as Endemol Shine, Zodiak Media, and Nice Entertainment Group.

**Ownership (including closely associated persons):** 3,157 VPLAY Class B shares.



Mia Suazo Eriksson

EVP & Chief Marketing Officer, joined the Group in 2015. Swedish, born 1977.

**Background:** International Marketing at Pace University. Appointed EVP and Chief Marketing Officer in 2019. Previously VP of Marketing & Communications at Viaplay Group Sweden. Spent 14 years in New York in a range of marketing, production, and creative roles at VIACOM.

**Ownership (including closely associated persons):** 2,145 VPLAY Class B shares.



Matthew Hooper

EVP and Chief Commercial Officer UK, joined the Group in 2011. British, born 1970.

**Background:** Master's degree from the University of Oxford. Appointed EVP and Chief Commercial Officer UK in 2022. Previously EVP and Chief Corporate Affairs Officer, EVP and Group Head of Corporate Affairs and CEO of Viaplay Group UK, EVP and Head of Corporate Communications at MTG. Co-founder and Managing Partner of Shared Value Limited, Board Director of Shandwick Consultants Limited.

**Ownership (including closely associated persons):** 31,024 VPLAY Class B shares.



Sahar Kupersmidt

EVP and Chief People & Sustainability Officer, joined the Group in 2007. Swedish, born 1977.

**Background:** Studied at Linnéuniversitetet. Appointed EVP and Chief People & Sustainability Officer in 2022, previously EVP and Chief People & Culture Officer since 2019. Previous leadership positions including SVP and Head of Nordic DTH TV. Member of Viasat Sweden's leadership team from 2012 to 2018 and MTG Sweden's leadership team from 2015 to 2018.

**Ownership (including closely associated persons):** 7,270 VPLAY Class B shares.



Group Executive Management



Peter Nørrelund

EVP and Chief Sports Officer, joined the Group in 2003. Danish, born 1971.

**Background:** Graduate of the Danish School of Media & Journalism. Appointed EVP and Chief Sports Officer in 2020. Previously advisor to Viaplay Group's President and CEO on sports rights, EVP and Head of Product Development & Incubation at MTG, Head of Sports from 2013, and responsible for sports rights acquisitions since 2006. CEO of DreamHack Sports Games, and COO of Turtle Entertainment. Worked as a reporter, commentator, host and Editor in Chief at Danmarks Radio.

**Ownership (including closely associated persons):** 6,155 VPLAY Class B shares.



My Perrone

EVP and Group General Counsel & Company Secretary, joined the Group in 2011. Swedish, born 1977.

**Background:** Master of Law from Lund University and specialisation in Intellectual Property from Malmö University. Appointed EVP Group General Counsel & Company Secretary in 2022. Previously SVP Group General Counsel & Company Secretary, Acting General Counsel and Board Secretary, and Head of Legal Sweden at Viaplay Group. Attorney at law firms such as Magnusson and Setterwalls, and inhouse legal counsel at V&S Group.

**Ownership (including closely associated persons):** 3,589 VPLAY Class B shares.



Kim Poder

EVP and Chief Commercial Officer Nordics, joined the Group in 1999. Danish, born 1968.

**Background:** Master's degree in Economics and Business Administration from Copenhagen Business School. Appointed EVP and Chief Commercial Officer Nordics in 2022. Previously EVP and Chief Commercial Officer, EVP and Group Chief Commercial Officer, CEO of Viaplay Group Denmark, CEO of Viasat Denmark and Finland, CEO of TV3 Denmark, and CEO of MTG Denmark. Media Director at Omnicom Media Direction and a Media Analyst at Gallup.

**Ownership (including closely associated persons):** 19,122 VPLAY Class B shares.



Vanda Rapti

EVP and Chief Commercial Officer North America & Viaplay Select, joined the Group in 2003. Greek, British, born 1976.

**Background:** Degree in law from the University of Athens, an LLM in Entertainment Law from the University of Westminster. Appointed EVP and Chief Commercial Officer for North America & Viaplay Select and member of the Group Executive Management team in December 2022. Previously SVP and Group Head of Acquisitions, Content Distribution & Partnerships. Has held roles as VP Pay TV, VoD and New Media, and Senior Lawyer. Vanda has been a member of the Athens Bar Association since 2001 and a solicitor at the Supreme Court of England and Wales since 2003.

**Ownership (including closely associated persons):** 1,585 VPLAY Class B shares.



Filippa Wallestam

EVP and Chief Content Officer, joined the Group in 2014. Swedish, born 1983.

**Background:** MSc in Economics and Business Administration from Stockholm School of Economics. Appointed EVP and Chief Content Officer in 2019. Prior to that EVP and CEO of Viaplay Group Sweden, and Head of Strategy for free-TV and radio in Sweden, Norway, and Denmark. Previously worked at Boston Consulting Group in London and New York, and at Daily Mail General Trust.

**Ownership (including closely associated persons):** 17,375 VPLAY Class B shares.



Philip Wågner

EVP and Chief Technology & Product Officer, joined the group in 2018. Swedish, born 1980.

**Background:** Bachelor's degree in Management from the London School of Economics and Political Science and a graduate of the Stockholm School of Economics. Appointed EVP and Chief Technology & Product Officer and member of the Group Executive Management team in April 2022. Prior to that SVP Product. Previous leadership positions at Travelport and SAS, including VP Product Development & Management.

**Ownership (including closely associated persons):** 3,370 VPLAY Class B shares.



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# Financial statements



## Group

# Consolidated income statement

SEK million	Note	2022	2021
<b>Continuing operations</b>			
Net sales	3, 4	15,691	12,661
Cost of sales		–13,086	–9,462
<b>Gross income</b>		<b>2,605</b>	<b>3,199</b>
Selling and marketing expenses		–1,264	–1,030
General and administrative expenses		–1,933	–1,632
Other operating income and expenses	6	730	–4
Share of earnings in associated companies and joint ventures	15	275	40
<b>Operating income</b>	5, 6, 7	<b>413</b>	<b>573</b>
Interest income	8	27	5
Interest expenses	8	–121	–97
Net lease interest	8	–11	–12
Other financial items	8	17	7
<b>Income before tax</b>		<b>325</b>	<b>476</b>
Tax expenses	9	–2	–111
<b>Net income for the year, continuing operations</b>		<b>323</b>	<b>365</b>
Net income for the year, discontinued operations	10	–	–40
<b>Net income for the year</b>		<b>323</b>	<b>325</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss net of tax</b>			
Currency translation differences		123	140
Cash flow hedges		108	289
<b>Other comprehensive income for the year</b>		<b>231</b>	<b>429</b>
<b>Total comprehensive income for the year</b>		<b>554</b>	<b>754</b>

SEK million	Note	2022	2021
<b>Net income for the year attributable to:</b>			
Equity holders of the Parent company		323	325
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Parent company		554	754
<b>Earnings per share</b>			
	11		
Basic earnings per share (SEK), continuing operations		4.13	4.76
Diluted earnings per share (SEK), continuing operations		4.13	4.74
Basic earnings per share (SEK)		4.13	4.23
Diluted earnings per share (SEK)		4.13	4.21
<b>Number of shares</b>			
	11, 19		
Shares outstanding at the end of the year		78,225,962	77,970,071
Basic average number of shares outstanding		78,137,402	76,731,753
Diluted average number of shares outstanding		78,225,008	77,031,536

## Group

# Consolidated balance sheet

SEK million	Note	31 Dec 2022	31 Dec 2021
<b>Non-current assets</b>			
Goodwill	12	1,805	1,338
Other intangible assets	12	632	643
Machinery, equipment and installations	13	174	163
Right-of-use assets	23	335	321
Participation in associated companies and joint ventures	15	1,246	1,226
Other shares		117	102
Long-term sublease receivables	23	104	127
Deferred tax assets	9	2	44
Other long-term receivables		92	100
<b>Total non-current assets</b>		<b>4,507</b>	<b>4,064</b>
<b>Current assets</b>			
Inventories	16	5,206	3,543
Accounts receivable	17	1,218	847
Short-term sublease receivables	23	32	31
Prepaid programming expenses	18	6,349	4,475
Prepaid expenses and accrued income	18	1,239	515
Tax receivables		65	33
Other current receivables		472	317
Cash and cash equivalents		2,775	5,702
<b>Total current assets</b>		<b>17,356</b>	<b>15,463</b>
<b>Total assets</b>		<b>21,863</b>	<b>19,527</b>

SEK million	Note	31 Dec 2022	31 Dec 2021
<b>Equity</b>			
Share capital	19	157	157
Other paid in capital	19	4,282	4,282
Reserves	19	213	-18
Retained earnings	19	4,259	3,902
<b>Total equity</b>		<b>8,911</b>	<b>8,323</b>
<b>Non-current liabilities</b>			
Long-term borrowings	22	3,250	2,500
Long-term lease liabilities	22, 23	394	416
Long-term provisions	20	143	157
Deferred tax liabilities	9	103	238
Other non-current liabilities		9	-
<b>Total non-current liabilities</b>		<b>3,899</b>	<b>3,311</b>
<b>Current liabilities</b>			
Short-term borrowings	22	650	800
Short-term lease liabilities	22, 23	119	106
Accounts payable	22	3,298	2,891
Accrued programming expenses		2,433	1,731
Accrued expenses and prepaid income	21	1,786	1,554
Short-term provisions	20	55	215
Tax liabilities		65	160
Other current liabilities		647	436
<b>Total current liabilities</b>		<b>9,053</b>	<b>7,893</b>
<b>Total liabilities</b>		<b>12,952</b>	<b>11,204</b>
<b>Total shareholders' equity and liabilities</b>		<b>21,863</b>	<b>19,527</b>



## Group

# Consolidated statement of changes in equity

SEK million	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total equity
<b>Balance as of 1 January 2021</b>	<b>136</b>	<b>–</b>	<b>–187</b>	<b>–261</b>	<b>3,547</b>	<b>3,236</b>
Net income for the year	–	–	–	–	325	325
Other comprehensive income for the year	–	–	140	289	–	429
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>140</b>	<b>289</b>	<b>325</b>	<b>754</b>
Effect of share-based programmes	–	–	–	–	30	30
Share issue	21	4,325	–	–	–	4,346
Share-issue transaction costs net of tax	–	–43	–	–	–	–43
Change in non-controlling interests	–	–	–	–	–	–
<b>Balance as of 31 December 2021</b>	<b>157</b>	<b>4,282</b>	<b>–47</b>	<b>28</b>	<b>3,902</b>	<b>8,323</b>
<b>Balance as of 1 January 2022</b>	<b>157</b>	<b>4,282</b>	<b>–47</b>	<b>28</b>	<b>3,902</b>	<b>8,323</b>
Net income for the year	–	–	–	–	323	323
Other comprehensive income for the year	–	–	123	108	–	231
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>123</b>	<b>108</b>	<b>323</b>	<b>554</b>
Effect of share-based programmes	–	–	–	–	34	34
<b>Balance as of 31 December 2022</b>	<b>157</b>	<b>4,282</b>	<b>76</b>	<b>136</b>	<b>4,259</b>	<b>8,911</b>

## Group

# Consolidated statement of cash flow

SEK million	Note	2022	2021
<b>Operating activities</b>			
Net income for the year, continuing operations		323	365
Net income for the year, discontinued operations		–	–40
Dividends from associated companies and joint ventures		300	500
Depreciation, amortisation and write-down		270	326
Other adjustments for non-cash items	28	–589	143
<b>Cash flow from operations, excluding changes in working capital</b>		<b>304</b>	<b>1,294</b>
Change in inventories		–1,663	–930
Change in accounts receivable		–322	–48
Change in other operating receivables		–2,436	–348
Change in other operating liabilities		1,116	509
<b>Changes in working capital</b>		<b>–3,305</b>	<b>–817</b>
<b>Cash flow from operating activities</b>		<b>–3,001</b>	<b>477</b>
<b>Investing activities</b>			
Acquisitions of operations	27	–387	–
Divestments of operations	26	–	443
Capital expenditures in tangible and intangible assets		–186	–216
Other cash flow from investing activities		71	16
<b>Cash flow from investing activities</b>		<b>–502</b>	<b>243</b>
<b>Financing activities</b>			
New borrowings	28	1,400	–
Amortisation of borrowings	28	–800	–1,260
Net change in leases	28	–72	–83
Share issue, net of transaction costs		–	4,292
Other cash flow from financing activities		7	–39
<b>Cash flow from financing activities</b>		<b>535</b>	<b>2,910</b>
<b>Change in cash and cash equivalents for the year</b>		<b>–2,968</b>	<b>3,630</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>5,702</b>	<b>2,040</b>
Translation differences in cash and cash equivalents		41	32
<b>Cash and cash equivalents at end of the year</b>		<b>2,775</b>	<b>5,702</b>

# Notes to the consolidated financial statements

## Group

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## Group

# Notes to the consolidated financial statements

## Note 1 Accounting and valuation principles

Viaplay Group AB (publ) (Viaplay) is a limited company listed on Nasdaq Stockholm with registered office in Stockholm, Sweden.

The consolidated financial statements of the Group for the year ended 31 December 2022, presented in this Annual report, comprise the Parent company and its subsidiaries and the participation in associated companies and joint ventures.

### Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as approved within the EU. The policies set out below have been consistently applied to all years presented, unless otherwise stated. In addition, Swedish Annual Accounts Act and RFR 1, Supplementary Rules for Groups, have been applied. The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value and assets held for sale measured at fair value less cost to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The annual report including the financial statements were authorised for issue by the Board of Directors on 3 April 2023. The consolidated income statement and balance sheet, and the income statement and the balance sheet of the Parent company, will be presented for adoption by the Annual General Meeting on 16 May 2023.

### New and amended standards adopted by Viaplay Group

The Group has not adopted any new or changed accounting standards or interpretations during 2022, and currently there are no new endorsed IFRS standards or IFRIC interpretations that are expected to have a significant impact on the Groups' financial statements.

### Consolidated accounts

The consolidated accounts include the Parent company, all subsidiaries and the participation in associated companies and joint ventures.

### Subsidiaries

Subsidiaries are companies in which the Group exercises control, meaning that the Group has power over the subsidiary and has exposure or rights to its variable returns. The Group must also have the ability to use the power to affect the return from the subsidiary. For all companies in which the Group holds more than 50% of the votes, the control criteria are fulfilled and the companies are consolidated as subsidiaries. When controlling interest has been achieved the change in ownership is recognised as a transfer in equity between the equity holders of the Parent company and the non-controlling interest, without remeasuring the subsidiary's net assets.

All business combinations are accounted for in accordance with the purchase method. At the date of acquisition, the acquired assets and assumed liabilities (net identifiable assets) are measured at fair value. The difference between the acquisition value of shares in a subsidiary, and identifiable assets and liabilities measured at fair values at the date of acquisition, is recognised as goodwill.

If the cost of the acquisition is below the fair values of identifiable net assets acquired, the difference is recognised in the profit and loss for the period. Acquisition related costs are expensed as incurred. Results for com-

panies acquired during the year are included in the consolidated income statement from the date of acquisition.

### Non-controlling interest

In subsidiaries not wholly owned, the share of equity owned by external shareholders is recognised as non-controlling interest. There are two alternatives for the recognition of non-controlling interests. One alternative is to recognise the non-controlling interest at its share of fair value of the acquired company; the other is to recognise the non-controlling interests at its share of the fair value of the acquired net assets. The former method (the full goodwill methods) leads to a higher value of non-controlling interest and goodwill than the later method (the partial goodwill method). The choice of method is made for each acquisition separately. If partial disposal of a subsidiary results in the loss of controlling interest, any residual holding is revalued to fair value and the amount of the change is recognised in the profit and loss.

### Associated companies and joint ventures

Associated companies are recognised by applying the equity method of accounting. An associated company is a company in which the Group exercises significant influence. Normally, this means companies in which the Group holds voting rights of at least 20% and no more than 50%.

Joint ventures are arrangements in which two or more parties have joint control and have rights to the net assets of the arrangement. Joint ventures are recognised by applying the equity method of accounting. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

**Note 1** cont.**Assets held for sale and discontinued operations**

Assets held for sale and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. This also applies for situations where the Group still continues its operations, but loses control over the operation.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the balance sheet. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparative information in statements and disclosures are restated.

**Functional currency and reporting currency**

The functional currency of the Parent company is the Swedish krona (SEK). This is also the reporting currency for the Group and the Parent company.

**Financial statements of foreign operations**

The financial statements of the Group's foreign subsidiaries are translated into Swedish krona (SEK). The translation of the balance sheet is based on the exchange rates ruling at the balance sheet date, while the income statements are translated using an average rate for the period. The resulting translation differences are charged in other comprehensive income and accumulated in the translation reserve in equity. The accumulated translation differences are reclassified to the income statement when the foreign operation is divested.

**Operating expenses**

Cost of sales include costs for acquired and produced content, sports rights, distribution costs including streaming distribution, and all costs directly related to sale of a product or service including customer service and sales commissions.

Selling and marketing expenses includes costs for sales and marketing personnel and overhead as well as marketing, advertising and public relation expenses.

General and administrative expenses include costs related to central functions, as well as technology and development costs for the streaming platform.

**Note 2 Accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the Board of Directors and the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The development, selection and disclosure of the Group's critical accounting policies, and estimates and the application of these policies, and estimates are reviewed by the Audit Committee.

**Key sources of estimation uncertainty**

Note 12, Intangible assets, contain information of the assumptions and the risk factors relating to goodwill impairment. Litigations and provisions made are presented in note 20 Provisions.

**Goodwill and other intangible assets**

Intangible assets, except goodwill and intangible assets with indefinite useful lives, are amortised over their useful lives. These useful lives are based on management's estimates of the period that the assets will generate revenue.

Goodwill and intangible assets with indefinite useful lives are subject to impairment tests yearly or when triggered by events. The impairment review requires management to determine the fair value of the cash generating units on the basis of cash flow projections and internal forecasts and business plans. For further information, see note 12 Intangible assets.

**Programme rights inventory**

Programme rights inventory are expensed in accordance with estimated consumption. The consumption and hence amortisation differs by platform and type of content acquired. The Group uses several assumptions to estimate timing and period for amortisation such as expected revenue, expected runs, type of right or license, broadcasting period as well as historical consumption pattern. The estimated consumption patterns or broadcasting period could change, and, as a result of this, affect net income for the period and the financial position.

**Provisions and contingent liabilities**

A provision is recognised when a present obligation exists as a result of a past event, it is probable that economic resources will be transferred, and reliable estimates can be made of the amount of the obligation. In such a case, a provision is calculated and recognised in the balance sheet. A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. Realisation of any contingent liability which is not disclosed or for which no amount is not currently recognised, could have a material impact on the Group's financial position.

The Group regularly reviews significant litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, claims, legal processes and potential level of damages, the opinions and views of the legal counsellors, and the management's intentions to respond to the litigations or claims. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the income for the period and the financial position. For further information, see note 20 Provisions.

Note 3 Revenue by category and geographical area

During 2020 Viaplay Group announced the initiation of a process to divest its non-scripted production, branded entertainment and events companies. The remaining Viaplay Studios operations, focused on scripted content production and distribution, was integrated with the previous Broadcasting and streaming segment. As a consequence, Viaplay Group reports one segment with three net sales categories in line with how performance is monitored internally.

Revenue by category

Group (SEK million)	2022	2021
Viaplay	6,969	4,386
Linear subscription & other	4,914	4,498
Advertising	3,808	3,777
Total	15,691	12,661

Viaplay

Revenues mainly generated by the Viaplay streaming service including subscriptions and customers purchasing content on a pay-per-view basis. Viaplay revenues are generated through direct to consumer sales or from businesses, such as distributor or partner organisations. The category also include Viaplay Select branded content concept offered in markets where Viaplay is not at present prioritising the launch of a direct-to-consumer service.

Viaplay may be purchased as a standalone product or as part of a bundled offer by partner organisations. When Viaplay is sold as part of a bundled offer, and no standalone selling price is explicitly referenced in the partner contract, Viaplay Group allocates a part of the total revenue to Viaplay based on the relative standalone selling price of Viaplay in relation to the bundled offering. Viaplay Group uses the recommended retail price as the reference point for the standalone selling price.

Linear subscriptions and other

Revenues generated from the Group's traditional TV channels and channel packages when sold through wholesalers, fees received from distributors for carriage of the Group's TV channels, and other subscription related revenues. The category also includes external revenues generated by the Group's content production business Viaplay Studios.

Advertising

Advertising and sponsorship revenues generated by the Group's TV channels, radio stations and streaming services.

Revenue by geographical area

The Group operates mainly in Europe. Net sales and intangible and tangible assets are shown below by geographical area. Sales are shown per geographical area from which the revenue is derived.

Group (SEK million)	Net sales		Intangible and tangible assets	
	2022	2021	2022	2021
Sweden	5,001	4,602	1,254	1,271
Rest of Nordics	9,256	8,004	876	838
Rest of Europe	1,408	51	481	35
Rest of the World	26	4	–	–
Total	15,691	12,661	2,611	2,144

Note 4 Revenue

Revenue recognition

Revenue from external customers is mainly derived from sale of subscription, advertising airtime, content production as well as licenses. The accounting principles for the main revenue streams are described in further detail below.

Advertising revenue

Revenue derived from the sale of advertising airtime as well as sponsoring. Revenue generated from advertising is generally recognised over time in a pattern that best depicts the service performed (e.g. as the ad is played out).

For yearly contracts, which typically contain several performance obligations (such as different campaigns or spots), the transaction price is allocated to each performance obligation based on their standalone selling price.

Subscription revenue

The Group generates subscription revenue from subscription fees for streaming services and pay-TV.

For streaming services, the customer pays a fee to access content which the customer has subscribed for. Each customer pays for the streaming service in advance on a monthly basis. The streaming period usually consists of a trial period, during which the customer is not committed to start a subscription. The transaction price is not allocated to the trial period. The performance obligation is satisfied over time as the Group provides access to the content over a period of time (in practice per month). Revenue can be generated directly from consumer sale or from sales to distributors and partner organisations.

The subscription contracts are mainly without a binding period and have a notice period of one month. Both the Group and the customer have the right to terminate the contract and the parties have no enforceable rights and obligations beyond that month.

In addition to the fee for the streaming service, the customer can add other services to the contract such as rental or purchase of films and series. The services added are regarded as separate performance obligations as the customer can benefit from these separately. Each service added has a separate price and the revenue is recognised at a point in time.



**Note 4** cont.

The Group's traditional TV channels and channel packages are sold through wholesalers and distributors. Fees are received for carriage of the Group's TV channels. The revenue from third party is recognised as the customer's subsequent usage occurs (TV channels or packages are made available to the end consumer, i.e. per subscriber each month). Some of the contracts with third party distributors includes a fixed minimum fee. The fixed fee is a minimum consideration for a right to access the Group's channels (i.e. right to access intellectual property) and the minimum fee is recognised over the contract period.

**Production revenue**

Revenue in the Studio business is generated by production of films and TV series. The contracts normally consist of one performance obligation. Revenue for production of films and TV series is recognised over time.

**Licenses and royalty**

A license arrangement establishes the customer's right related to the Group's intellectual property and the obligation of the Group to provide those rights. The Group is granting licenses to format and broadcasting rights. All licenses are classified as "right-to-use-licenses" and revenue is recognised when the license period begins.

**Principal or agent**

The Group assesses whether it is acting as a principal or agent in all transactions where another party is involved in providing products or services to the customer. In transactions where the Group is acting as an agent, revenue is recognised net in the income statement. In transactions where the Group is acting as a principal, revenue is recognised gross in the income statement. There are currently only a few transactions where Viaplay Group act as a principal.

**Revenue from performance obligations satisfied in previous periods**

Within free-TV, third-party distribution fees occur related to third-party agreements for end-customers' usage of TV channels. This fee is estimated based on historical data for the previous period. When the actual usage is received from the customer, an adjustment is made for revenue recognised to date.

**Unsatisfied performance obligations**

The Group does not disclose any information regarding unsatisfied performance obligations as at December 31, since the performance obligations refer to contracts where the contract term is 12 months or less.

**Disaggregation of revenue**

Revenue from external customers is mainly derived from sale of advertising air time, subscription, content production, and licenses.

Group (SEK million)	2022	2021
<b>Revenue streams</b>		
Subscription	10,841	7,932
Advertising	3,837	3,777
Licenses, royalties and other	657	694
Production	356	258
<b>Total</b>	<b>15,691</b>	<b>12,661</b>
<b>Timing of revenue recognition</b>		
Over time	15,034	11,967
At a point in time	657	694
<b>Total</b>	<b>15,691</b>	<b>12,661</b>

**Contract liabilities**

Contract liabilities consist of the following prepaid income:

- Prepaid advertising revenue within free-TV and radio occurs when the customer has been invoiced in advance of service delivery
- Prepaid subscription revenue as customers within pay-TV pay one month in advance
- Prepaid revenue related to content production as the revenue is recognised over time

**Change in contract liabilities**

Group (SEK million)	2022	2021
Opening balance	634	615
Acquisition of operations	26	—
Net change in contract liability during the year	237	19
<b>Closing balance as of 31 December</b>	<b>897</b>	<b>634</b>

The contract liabilities reported at the beginning of each year are recognised as revenue during the year.

**Note 5 Classification by nature of expense**

A function-based income statement is presented as part of the financial statements of the Group. The table below presents how the operational costs are classified based on the nature of expense.

Group (SEK million)	2022	2021
Net sales	15,691	12,661
Other operating income	801	155
Cost of goods and services	−12,479	−8,875
Personnel costs	−1,866	−1,559
Depreciation and amortisation	−268	−268
Impairment charges	−2	−28
Other external expenses	−1,739	−1,553
Share of earnings in associated companies and joint ventures	275	40
<b>Operating income</b>	<b>413</b>	<b>573</b>

## Note 6 Other operating income and expenses

Other operating income and expenses refers to income and expenses that does not derive from the Group's core operations, such as government grants, gains or losses on sale of intangible and tangible assets as well as foreign exchange gains or losses on operating receivables and payables.

### Accounting principle Government grants

Grants and support from Governments and public authorities are recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and that the grant will be received.

Group (SEK million)	2022	2021
<b>Other operating income</b>		
Government grants / tax incentives	59	39
Gain from exchange rate differences	99	62
Settlement of court cases	595	–
Other	117	54
<b>Total</b>	<b>870</b>	<b>155</b>
<b>Other operating expenses</b>		
Loss from exchange rate differences	–110	–78
Capital loss from divestment of NENT Studios UK and writedown of Studio assets	–	–74
Other	–30	–7
<b>Total</b>	<b>–140</b>	<b>–159</b>
<b>Total other operating income and expenses</b>	<b>730</b>	<b>–4</b>

## Note 7 Salaries, other remuneration and social security expenses

### Accounting principle

#### Short term employee benefits

Short term benefits to employees are not discounted and reported as an expense when the related services are received.

A provision is recognised for the expected cost of bonus or profit-sharing plans when the Group has a present legal or constructive obligation to make such payment as a result of services received from employees and can make a reliable estimate of the obligation.

#### Post employment benefits

The Group's employees are mainly covered by defined contribution pension plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group's payments to defined contribution plans are reported as an expense in the period when the employee performed the services to which the fee relates. The Group has defined benefit pension plans in Norway and Sweden. The plans relate to a few employees and the amount is not material. In Sweden there is a multi-employer defined benefit plan. The Group reports these pension expenses in the same way as defined contribution plans.

#### Share-based compensation

The Group has issued equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is based on the Group's estimate of the number of shares that will eventually vest and is expensed on a straight-line basis over the vesting period. The expense is reported in the income statement with the corresponding increase in equity. The related provision for social security is remeasured on a quarterly basis. The current share based compensation plans have a three-year vesting period and payment depends on the fulfillment of certain stipulated performance conditions.

### Termination benefits

Termination benefits are payable when the employment is terminated by the Group before the normal retirement date, or when the employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the entity recognises costs for a restructuring and involves the payment of termination benefits.

Group (SEK million)	2022	2021
Wages and salaries	1,465	1,134
Social security expenses	291	249
Pension costs	150	121
Share-based payments	34	30
Social security expenses on share-based payments	–3	14
<b>Total</b>	<b>1,937</b>	<b>1,548</b>

Group (SEK million)	2022	2021
Board of Directors, CEO and Group Executive Management	185	116
of which variable salary	121	57
Other employees	1,752	1,432
<b>Total</b>	<b>1,937</b>	<b>1,548</b>

Note 7 cont.

Remuneration to the Board of Directors

The remuneration to the Board of Directors has been paid in accordance with the resolution approved at the 2022 Annual General Meeting (AGM). The remuneration includes fees for ordinary Board work and fees for work within the committees of the Board. For 2022, and the period leading up to the 2023 AGM, the Board fees amounted to SEK 5.2m.

Group (SEK thousand)	2022			2021		
	Remuneration for ordinary board work	Remuneration for work in committees	Total	Remuneration for ordinary board work	Remuneration for work in committees	Total
Pernille Erenbjerg, Chair of the Board <sup>1</sup>	1,553	–	1,553	1,250	33	1,283
David Chance, Chair of the Board <sup>1</sup>	–	–	–	363	13	376
Anders Borg	534	199	733	511	150	661
Simon Duffy	534	265	799	511	235	746
Andrew House <sup>2</sup>	534	199	733	386	137	523
Kristina Schauman	534	138	672	511	130	641
Natalie Tydeman	534	159	693	511	140	651
Total	4,223	960	5,183	4,043	838	4,882

1) Pernille Erenbjerg was elected Chair of the Board at the 2021 AGM on 19 May , succeeding David Chance who stepped down from the Board of Directors on this day.  
2) Andrew House joined the Board of Directors as a Non-Executive Director at the 2021 AGM on 19 May.

Remuneration to the Group Executive Management

The Remuneration Committee's evaluation has resulted in the conclusion that there has been compliance with the guidelines for remuneration to the senior executives resolved by the 2020 Annual General Meeting.

The Remuneration Guidelines for the Group Executive Management

The following Remuneration Guidelines (the “guidelines”) were approved by the Annual General Meeting 2020 and apply until the Annual General Meeting 2024 unless any changes are proposed. The guidelines apply to the President & CEO and other members of the Group Executive Management (“GEM”), currently comprising eleven members. The intention of the Board of Directors (“the Board”) and its Remuneration Committee (“the Committee”) is that the guidelines will remain in place for four years from

the date of approval. These guidelines do not apply to any remuneration decided or approved by the general meeting, for example share-related long-term incentive plans.

Our approach to remuneration

Viaplay Group's remuneration policy is designed to i) drive and reward sustainable company and individual performance, ii) be market competitive to attract and retain best-in-class talent, and iii) to incentivise the creation of long-term shareholder value in a rapidly changing industry. Specifically, our strategic priorities and our vision are reflected in the design of executive remuneration as set out below

- Deliver profitable growth: A substantial proportion of remuneration is variable and linked to our key drivers of performance. Performance mea-

asures in our short- and long-term incentive plans are carefully selected to promote growth through stretching and relevant incentive targets.

- Create long-term shareholder value: Incentive plans are designed to reward sustainable company performance and value creation. Resulting outcomes are intended to reflect shareholder experience and contribute to increased alignment as executives are required to build and maintain a significant shareholding in Viaplay Group.
- Be the leading Nordic streaming service provider and content producer with a global appeal: A remuneration structure and mix that provides agility to quickly adapt to business needs in a fast-moving industry and highly competitive talent market.



Note 7 cont.

Remuneration guidelines by element

Total remuneration shall be on market terms and may include base salary, pension, benefits and performance-linked elements in the form of short-term ('STI') and long-term incentive ('LTI') plans. The long-term incentive

plans are approved by the general meeting and are not governed by these guidelines. A summary is included for completeness. The table below provides more detail on the individual elements, their purpose and their link to the business strategy.

Elements	Purpose and links to strategy	Description and operations
Base salary	To recruit, reward and retain executives.	Base salary shall be fair and competitive reflecting the individual executive's responsibilities, skills and performance.
Pension	To provide local market competitive pensions.	Pension arrangements, including health insurance, shall be competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration. The pension arrangements shall be provided in the form of a defined contribution or as a cash allowance and shall amount to not more than 30% of the fixed base salary. Pension arrangements may evolve year-on-year. Variable cash remuneration shall not qualify for pension benefits.
Benefits and allowances	To provide local market competitive benefits and support recruitment and retention.	Benefits shall be competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration. Benefits may include but are not limited to car allowance, travel allowance, tax support, life insurance and medical insurance. Premiums and other costs of such benefits shall constitute a limited proportion of total remuneration. Additional benefits may be provided in specific individual situations including changes in individual circumstances such as health status and changes in roles such as relocation, if considered appropriate. Any resolution on such remuneration shall be made by the Board based on a proposal from the Committee.
Annual short-term incentive (STI) plan	To incentivise and reward the achievement of annual financial and, when appropriate, non-financial performance measures clearly linked to the strategic priorities and sustainable development of the Group and the executives' area of responsibility.	The maximum payment under the STI shall not exceed 150% of base salary. The satisfaction of criteria for awarding STI shall be measured over a period of one year. The Board approves the corporate performance measures, targets and relative weightings at the start of each year, on recommendation by the Committee. The Board ensures that there is strong alignment with the business strategy and that the targets are clear and sufficiently stretching. STIs will also take into account the individual executives' performance against pre-determined and measurable objectives within their area of responsibility defined to promote the Group's sustainable development in the short- and long-term. Such objectives are agreed with the President & CEO (or, in the case of the President & CEO, the Chairman of the Board) and may be functional, operational, strategic and non-financial and include, inter alia, objectives relating to environmental, social and governance issues. Payment under this plan is made after year-end following the Committee's and Board's determination of achievement against the annual corporate targets and the achievement of annual individual objectives for the President & CEO. The President & CEO determines the achievement of annual individual objectives for other executives. The terms for the STI shall be structured so that the Board has the possibility to; (i) limit or refrain from paying variable remuneration, if such payment is considered unreasonable and incompatible with the company's responsibility in general to the shareholders, employees and other stakeholders, (ii) to adjust payments before they are made ('malus') if special circumstances exist that warrant this, such as financial misstatement (iii) to claw back payments that have already been made on incorrect grounds and (iv) to adjust the targets retroactively for extraordinary circumstances.
Long-term incentive (LTI)	The LTI shall be linked to certain predetermined financial and/or share or share-price related performance criteria and shall ensure a long-term commitment to the development of Viaplay Group and align the senior executives' incentives with the interest of shareholders.	The LTI is generally delivered in shares, resolved upon separately by the general meeting and therefore excluded from these guidelines.
Extraordinary arrangements	To aid recruitment or retention required to ensure successful implementation of the company's strategy and safeguarding its long-term interests.	By way of exception, additional one-off arrangements can be made on a case-by-case basis, when deemed necessary, subject to Board approval on recommendation from the Committee. Each such arrangement shall be capped at two (2) times the individual's annual base salary.
Share Ownership Requirement	To ensure that executives build and maintain a significant shareholding in Viaplay Group and are aligned with the interest of shareholders.	The President & CEO and members of GEM are required to accumulate Viaplay Group shares towards target ownership levels that are based on a percentage of net base salary. Target ownership levels: President & CEO: 150%, and other members of GEM: 75%. The Committee has the authority to adjust these requirements if considered appropriate in individual cases.

Note 7 cont.

**Service contracts and payments upon termination of employment**

In general, executive contracts have indefinite duration. However, the contracts may be issued on a fixed-term basis if warranted by certain circumstances, such as for interim positions or for executives close to retirement age. Upon termination of employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and any severance pay may combined not exceed an amount equivalent to two years' fixed salary. In addition, executives may be compensated for non-compete restrictions invoked post termination. Such compensation shall be based on the base salary at the time of notice of termination of employment and be awarded during the restriction period which cannot exceed twelve months. Such payment cannot be combined with severance payments.

**Remuneration governance and decision-making**

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every four years and submit these to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Committee shall prepare, for resolution of the Board, remuneration-related matters concerning the President & CEO and any proposals on share-based or share-related long-term incentive plans in the company. In addition, the Committee shall monitor and evaluate programmes for variable remuneration for GEM, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. In order to avoid any conflict of interest, the Committee shall consist of non-executive members only. Remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process relating to their own remuneration.

**Salary and employment terms for the broader population/company's employees**

In preparing and applying these guidelines, the Committee considers the pay and conditions elsewhere in the company, which in turn are informed by general market conditions and internal factors such as the performance of the Group or relevant business unit. The Committee regularly consults with the President & CEO and People & Sustainability to be mindful of employee pay, conditions and engagement across the broader employee population.

**Deviation from the guidelines**

The Board may temporarily resolve to deviate from the guidelines, in full or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Committee's tasks include preparing the Board's resolutions in remuneration related matters. This includes any resolutions to deviate from the guidelines.

**Remuneration and terms of employment for the President and CEO in 2022**

The remuneration to the President & CEO includes fixed salary, variable components in the form of STI and LTI plans, pension in the form of defined contribution and other benefits/allowances. For 2022, the base salary was set at SEK 9.9m. In 2022, the President & CEO participated in the Viaplay Group STI plan. The maximum STI pay out amounts to 100% of the annual base salary. The President & CEO have participated in three long-term incentive plans during the year; LTIP 2022, LTIP 2021 and LTIP 2019. The plans are described in detail on next page. In addition, The President & CEO

was part of the extraordinary performance based One-off Growth Plan with a maximum pay out of 165% of the annual base salary. Payout under the plan was conditional on two equally weighted targets; Nordic EBIT and International paying Viaplay subscribers in 2022. For more detailed information regarding the performance targets and the outcome, please see the Remuneration Report for 2022 on page 146. A notice of termination period of one year applies for the President & CEO if such notice is given by the Company or the President & CEO respectively. The agreement does not provide for any severance pay.

**Remuneration and terms of employment for other members of Group Executive Management in 2022**

The remuneration to the Group Executive Management members included fixed salary, variable components in the form of STI and LTI plans, pension in the form of defined contribution and other benefits/allowances. In addition to participating in the 2022 Viaplay Group STI plan, Group Executive Management members have participated in three long-term incentive plans

Remuneration and other benefits to the Group Executive Management

Group (SEK thousand)	Base salary	Variable remuneration <sup>1</sup>	LTIP cost <sup>2</sup>	Other benefits	Pension	Total
<b>2022</b>						
Anders Jensen, President & CEO	9,856	24,177	5,819	55	504	40,411
Group Executive Management (11 members) <sup>3</sup>	34,413	56,407	12,128	591	3,571	107,110
<b>Total</b>	<b>44,269</b>	<b>80,584</b>	<b>17,947</b>	<b>646</b>	<b>4,075</b>	<b>147,521</b>
<b>2021</b>						
Anders Jensen, President & CEO	8,960	8,960	4,701	55	480	23,156
Group Executive Management (11 members) <sup>4</sup>	30,939	24,487	8,552	628	3,043	67,649
<b>Total</b>	<b>39,899</b>	<b>33,447</b>	<b>13,253</b>	<b>683</b>	<b>3,523</b>	<b>90,805</b>

1) Variable remuneration each year refers to earned remuneration the current year. For 2022 variable remuneration refers to STI and the extraordinary performance based One-off Growth Plan. For 2021 variable remuneration refers to STI.

2) Share-based incentive programme for LTIP 2019, LTIP 2021 and LTIP 2022 in accordance with IFRS 2 (non-cash).

3) The 2022 amounts disclosed for the Group Executive Management relate to the full year for: Matthew Hooper, Sahar Kupersmidt, Peter Nørrelund, Kim Poder, Mia Suazo Eriksson, My Perrone and Filippa Wallestam. Part-year for Kaj af Kleen (Jan-Mar), Philip Wågner (Apr-Dec), Vanda Rapti (Dec), Alexander Bastin (Dec), Roberta Alenius (Jan-Nov), Enrique Patrickson (mid-Aug-Dec) and Åsa Regen Jansson (Jan-mid-Aug).

4) The 2021 amounts disclosed for the Group Executive Management relate to the full year for: Matthew Hooper, Kaj af Kleen, Sahar Kupersmidt, Peter Nørrelund, Kim Poder, Mia Suazo Eriksson and Filippa Wallestam. Part-year for My Perrone, Roberta Alenius (mid-Jan-Dec), Gabriel Catrina (Jan-Nov) and Åsa Regen Jansson (Dec).

Note 7 cont.

during the year, LTIP 2022, LTIP 2021 and LTIP 2019. In addition, the Group Executive Management members were part of the extraordinary performance-based One-off Growth Plan with a maximum pay out of 65–110% of the annual base salary. Payout under the plan was conditional on two equally weighted targets; Nordic EBIT and International paying Viaplay subscribers in 2022. For more detailed information regarding the performance targets and the outcome, please see the Remuneration Report for 2022 on page 146. A notice of termination period of six to twelve months applies to the Group Executive Management members if such notice is given by the Company or the Group Executive Management member respectively. Any severance pay is limited to six months' base salary.

Group Executive Management

At year-end 2022, the Group Executive Management included the President & CEO and eleven other executives. The Group Executive Management is described on pages 43–44.

Decision process

The remuneration to the President & CEO is decided by the Board of Directors on recommendation by the Remuneration Committee. The remuneration policy for the Group Executive Management is determined by the Remuneration Committee and the Board.

Share-based compensation

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is based on the Group's estimate of shares that will eventually vest and is expensed on a straight-line basis over the vesting period. The expense is reported in the income statement with the corresponding increase in equity. The social security costs are revalued on a quarterly basis. The current plans have a three-year vesting period and payment depends on the fulfillment of certain stipulated performance conditions.

Long-term incentive plan

The Annual General Meetings in 2019, 2021 and 2022 approved share-based long-term incentive plans, LTIP 2019, LTIP 2021 and LTIP 2022. The plans are performance-based and directed to around 100 participants

across Viaplay Group including the Group Executive Management, other senior executives and key employees. The plans are designed to attract, motivate and retain key talent within the Group, and to align participants' interests with shareholders. To ensure that senior executives build and maintain a significant shareholding in the Group, vesting is conditional on a share ownership requirement for the President & CEO and Group Executive Management (Tiers 1 to 3). They are required to accumulate shares towards target ownership levels that are based on a percentage of net salary. For the President & CEO, the target ownership level is 150% and, for the members of the Group Executive Management, amounts to 75% or 50% depending on Tier. For the current Group Executive Management members, 33% of the requirement must be met each year over three years.

LTIP 2019

The number of shares vested in 2022 was dependent on the achievement of two equally weighted targets;

- (i) organic sales growth (organic sales growth refers to growth excluding the effects of acquisitions/divestments and adjusted for currency effects), and
- (ii) operating income (operating income before Items Affecting Comparability (IAC)) may be adjusted for extraordinary or non-budgeted items or events not related to the ordinary course of business including acquisitions/ divestments) for the 2019 financial year.

The performance outcome for LTIP 2019 was 100% and the maximum number of shares vested. The shares were allocated to participants in Q2, 2022. At the day of allocation the share price was SEK 298. As such, the participants' maximum profit per Performance Share Award in LTIP 2019 was not exceeding the limitation of four times the volume-weighted average of the market price of Viaplay Group's shares on Nasdaq Stockholm during the five trading days immediately following the publication of the company's interim report for the first quarter 2019 (the "Share Price Cap").

LTIP 2021

The number of shares that vest in 2024 is dependent on the achievement of two 3-year targets linked to profitable growth objectives;

- (i) Total Shareholder Return ("TSR") (refers to the total share price increase and dividends paid during the period from the 2021 AGM to the 2024 AGM) and
- (ii) Viaplay subscribers (refers to the number of Viaplay paying subscribers by end of 2023).

Target (i) has a weighting of 70% and target (ii) a weighting of 30%. Threshold and maximum target levels have been established by the Board at grant. If the minimum threshold level is achieved, 25% of the Performance Share Awards will vest. If the maximum level is achieved, 100% of the Performance Share Awards will vest. The TSR threshold target level is 19% and maximum target level is 64%, measured over a three-year period from the 2021 AGM until the 2024 AGM. The Viaplay subscriber threshold target level is 6.0 million and maximum target level is 7.0 million.

LTIP 2022

The number of shares that vest in 2025 is dependent on the achievement of two 3-year targets linked to profitable growth objectives;

- (i) Total Shareholder Return ("TSR") (refers to the total share price increase and dividends paid during the period from the 2022 AGM to the 2025 AGM) and
- (ii) Viaplay subscribers (refers to the number of Viaplay paying subscribers by end of 2024).

Target (i) has a weighting of 70% and target (ii) a weighting of 30%. Threshold and maximum target levels have been established by the Board at grant. If the minimum threshold level is achieved, 25% of the Performance Share Awards will vest. If the maximum level is achieved, 100% of the Performance Share Awards will vest. The TSR threshold target level is 19% and maximum target level is 64%, measured over a three-year period from the 2022 AGM until the 2025 AGM. The Viaplay subscriber threshold target level is 8.8 million and maximum target level is 10.4 million.

Fair value of Long-term incentive plan

The fair value for the long-term incentive plans are including adjustments for the TSR development performance conditions at the grant date, using a Monte Carlo model, which uses a number of inputs shown in the table on next page.



## Note 7 cont.

## Performance share programme – TSR-based performance condition

	LTIP 2022	LTIP 2021
Grant date	25th of May 2022	19th of May 2021
Share price at grant date, SEK	296	364
Volume at grant date	57,986	158,395
Weighted average share price (VWAP) over 30 days prior to performance period, SEK	334	377
Risk-free interest rate, %	1.32	–0.26
Expected volatility of share prices, %	40.32	33.24

Fair value at the date of allotment per share amounted to 124 SEK for LTIP 2022 and 136 for LTIP 2021.

## Number of share awards outstanding per category 2022

	Maximum number of B shares <sup>1</sup>		Maximum value (SEKm) <sup>2</sup>	
	LTIP 2022	LTIP 2021	LTIP 2022	LTIP 2021
President & CEO (Tier 1)	48,690	39,215	10	8
Group Executive Management (Tier 2 and 3)	101,329	78,216	20	15
Senior executives and key employees (Tier 4 and 5)	203,190	118,734	40	24
<b>Total share awards outstanding as of 31 December 2022</b>	<b>353,209</b>	<b>236,165</b>	<b>70</b>	<b>47</b>

1) Representing 100% of the number of shares granted in May 2021 and May 2022.

2) Calculated based on a share price of SEK 198 on 30 December 2022.

## Number of share awards outstanding per category 2021

	Maximum number of B shares <sup>1</sup>		Maximum value (SEKm) <sup>2</sup>	
	LTIP 2021	LTIP 2019	LTIP 2021	LTIP 2019
President & CEO (Tier 1)	39,215	42,654	18	20
Group Executive Management (Tier 2 and 3)	87,711	71,064	40	33
Senior executives and key employees (Tier 4 and 5)	130,601	142,173	62	67
<b>Total share awards outstanding as of 31 December 2021</b>	<b>257,527</b>	<b>255,891</b>	<b>120</b>	<b>120</b>

1) Representing 100% of the number of shares granted in May 2019 and May 2021.

2) Calculated based on a share price of SEK 469 on 30 December 2021.

## Change in number of share awards outstanding

	LTIP 2022	LTIP 2021	LTIP 2019
Share awards outstanding in the beginning of the year	–	–	300,094
Allotted during the year	–	261,989	–
Vested during the year <sup>1</sup>	–	–	–22,545
Forfeit during the year	–	–4,462	–21,658
<b>Total share awards outstanding as of 31 December 2021</b>	<b>–</b>	<b>257,527</b>	<b>255,891</b>
Share awards outstanding in the beginning of the year	–	257,527	255,891
Allotted during the year	359,320	–	–
Vested during the year <sup>2</sup>	–	–	–255,891
Forfeit during the year	–6,111	–21,362	–
<b>Total share awards outstanding as of 31 December 2022</b>	<b>353,209</b>	<b>236,165</b>	<b>–</b>

1) A total of 22,245 Class B Shares were delivered to participants as part of an accelerated vesting of shares from 2019 long-term incentive plan. The early vesting of shares was triggered by participants leaving Viaplay Group after the divestment of NENT Studios assets.

2) Weighted average share price per vesting day for the vested share awards during the period were SEK 298.

## Cost effects of the incentive programme

LTIP 2019, LTIP 2021 and LTIP 2022 are equity-settled. The initial fair value at grant date of the share programme, is expensed during the vesting period. The cost for the programme is recorded as an operating expense with the corresponding increase in equity. The cost is based on the fair value of the Viaplay Group Class B share at grant date and the number of shares expected to vest. The cost recognised for the programmes in 2022 amounts to SEK 7m (21) for LTIP 2019 and SEK 16m (9) for LTIP 2021 and SEK 11m for LTIP 2022, excluding social charges. Social charges amounted to SEK –3m (14) for LTIP 2019, LTIP 2021 and LTIP 2022. There were no share rights exercisable at the end of 2022. In Q2 2022 the LTIP 2019 vested and shares were allocated to participants still employed.

## Dilution

If all the share rights awarded to senior executives and key employees as at 31 December 2022 were exercised, the outstanding shares of the Company would increase by 589,374 Class B shares, and be equivalent to a dilution of 0.8% of the issued shares and 0.7% of the related voting rights at the end of 2022.

## Note 8 Financial items

Group (SEK million)	2022	2021
Interest income	27	5
<b>Total interest income</b>	<b>27</b>	<b>5</b>
Interest expense on borrowings	–88	–57
Interest expense, other	–33	–40
<b>Total interest expenses</b>	<b>–121</b>	<b>–97</b>
Lease interest income	5	6
Lease interest expense	–16	–18
<b>Lease net interest</b>	<b>–11</b>	<b>–12</b>
Net exchange rate differences	17	7
<b>Other financial items</b>	<b>17</b>	<b>7</b>
<b>Net financial items</b>	<b>–88</b>	<b>–97</b>

## Note 9 Taxes

### Accounting principle

Tax expenses included current Swedish and foreign corporate income taxes and deferred tax. Current tax is calculated based on the taxable result for the year. This can differ to the income before tax reported in the income statement due to adjustment for non-taxable and non-deductible income and expenses and temporary differences. Current taxes are calculated on the basis of the tax regulations prevailing in the countries where the Group companies have operations.

Deferred tax refers to temporary differences between an asset's or a liability's carrying amount and its tax base. The deferred tax asset is calculated based on the tax rates in the respective country. Deferred tax assets on tax losses, temporary differences and tax credits are recognized to the extent it is probable that they will be utilized in the foreseeable future.

### Distribution of tax expense

Group (SEK million)	2022	2021
Current tax expense	–135	–89
Adjustment for prior years	4	–1
<b>Total current tax</b>	<b>–131</b>	<b>–90</b>
Deferred tax	129	–21
<b>Total</b>	<b>–2</b>	<b>–111</b>

### Reconciliation of effective tax

Group (SEK million)	2022				2021			
	Tax base	Current tax	Deferred tax	Total Tax	Tax base	Current tax	Deferred tax	Total Tax
Income before tax – Nominal tax rate, 20.6%	325	–67	–	–67	476	–98	–	–98
Share of earnings in associated companies and JVs	–275	57	–	57	–40	8	–	8
Non-taxable income	14	–2	–	–2	–3	1	–	1
Non-deductible expenses	–42	8	–	8	126	–24	–	–24
Temporary differences	108	–22	22	–	–75	16	–16	–
Tax losses, recognised	518	–106	106	–	2	–	–	–
Tax losses, not recognised	16	–2	–	–2	1	–	–	–
Tax losses carry-forward, previously recognised	–4	1	–1	–	–16	3	–3	–
Tax losses carry-forward, previously not recognised	–1	–	–	–	–2	–	–	–
Revaluation of deferred tax	–	–	1	1	–	–	–2	–2
Effects from foreign tax rates	–	–2	–	–2	–	5	–	5
Prior year adjustment	–	4	–	4	–	–1	–	–1
<b>Total</b>	<b>659</b>	<b>–131</b>	<b>129</b>	<b>–2</b>	<b>–</b>	<b>–90</b>	<b>–21</b>	<b>–111</b>

## Note 9 cont.

## Unrecognised tax losses carry-forward by expiry date

Group (SEK million)	2022	2021
Within 1 year	1	2
1–2 years	–	1
3–4 years	1	–
4–5 years	1	1
Over 5 years	1	1
No expiry date <sup>1</sup>	313	–
<b>Total</b>	<b>317</b>	<b>5</b>

1) The increased tax loss carry forwards relate to the acquired Premier sports entities.

## Deferred tax is attributable to

Group (SEK million)	Opening balance 1 Jan 2021	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	Divestment of operations	Translation differences	31 Dec 2021 /1 Jan 2022	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	Translation differences	Closing balance 31 Dec 2022
Tax losses carried forward	13	–5	–	–7	–	2	105	–	–	107
Intangible assets	–209	2	–	–	–	–207	5	–	–2	–204
Tangible assets	6	–1	–	–	–	5	–1	–	–	4
Right-of-use assets	2	–1	–	–	–	1	–	–	–	2
Financial assets	64	–6	–75	–	–	–17	–9	–35	–	–61
Inventories	5	1	–	–	–	6	–	–	–	6
Current receivables	2	–	–	–	–	2	2	–	–	4
Provisions	19	–11	–	–	2	10	2	–	1	13
Current liabilities	–	–	3	–2	2	3	4	–	–	7
Untaxed reserves	–	–	–	–	–	–	21	–	–	21
<b>Total</b>	<b>–101</b>	<b>–21</b>	<b>–72</b>	<b>–9</b>	<b>5</b>	<b>–195</b>	<b>129</b>	<b>–35</b>	<b>–1</b>	<b>–101</b>
of which Deferred tax asset	111					44				2
of which Deferred tax liability	–211					–238				–103



## Note 10 Discontinued and divested operations

### Discontinued operations

The discontinued operations in 2021 comprised the non-scripted production, branded entertainment and events businesses that were divested during 2021. These businesses were part of the former Studios segment and reported as assets held for sale and discontinued operations since Q2 2020.

Splay One was divested on 6 April 2021 and the remaining discontinued studios businesses were divested on 30 September 2021. The total capital loss including transaction costs amounted to SEK –45m and was reported within discontinued operations.

### Income from discontinued operations

Group (SEK million)	2021
External sales	615
Internal sales	60
<b>Net sales</b>	<b>675</b>
Cost of sales	–548
General and administrative expenses	–123
Other operating income and expenses <sup>1</sup>	–42
<b>Operating income</b>	<b>–38</b>
Financial net and tax	–2
<b>Net income from discontinued operations</b>	<b>–40</b>

1) 2021 Capital loss including transaction costs of SEK –45m from the divestments.

### Cash flow from discontinued operations

Group (SEK million)	2021
Cash flow from operating activities	47
Cash flow from investing activities <sup>1</sup>	–6
Cash flow from financing activities <sup>1</sup>	–11
<b>Cash flow from discontinued operations</b>	<b>30</b>

1) Refers mainly to intra-group transactions.

### Divested operations

The NENT Studios UK content distribution business was sold to All3Media on 11 June 2021 and the divestment resulted in a capital loss (including transaction costs) amounting to SEK –74m which was reported within continuing operations.

## Note 11 Earnings per share

Group (SEK million)	2022	2021
<b>Weighted average number of shares, basic</b>	<b>78,137,402</b>	<b>76,731,753</b>
Net income attributable to the equity holders of the Parent company, continuing operations	323	365
Net income attributable to the equity holders of the Parent company	323	325
Basic earnings per share, SEK, continuing operations	4.13	4.76
Basic earnings per share, SEK	4.13	4.23
<b>Weighted average number of shares, diluted</b>	<b>78,225,008</b>	<b>77,031,536</b>
of which diluted average number of shares	87,606	299,783
Net income attributable to the equity holders of the Parent company, continuing operations	323	365
Net income attributable to the equity holders of the Parent company	323	325
Diluted earnings per share, SEK, continuing operations	4.13	4.74
Diluted earnings per share, SEK	4.13	4.21

### Potentially dilutive instruments

Viaplay Group AB has two outstanding long-term incentive plans from 2021 and 2022 where the performance conditions are not fulfilled, but that might have a diluting effect in the future. The potential dilution is calculated in order to determine the number of shares that can be exercised at fair value based on the value of the share awards. Performance share awards are included in the potentially dilutive shares from the start of the programme, and in accordance with the performance targets achieved. As per 31 December 2022 the share awards amounted to 589,374 (see note 7).

## Note 12 Intangible assets

### Accounting principle

Intangible assets are reported net after deductions for accumulated amortisation according to plan and impairment losses. Amortisation according to plan is normally calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The intangible assets are classified in the following categories:

#### Asset

Goodwill	Indefinite lives with impairment tests annually or if triggered by events
Trademarks	Indefinite lives with impairment tests annually or if triggered by events
Capitalised development expenditure	3–10 years
Beneficial rights and broadcasting licenses	Estimated amortisation period based on the terms of the license

### Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of an acquired business. Goodwill is recognised as an asset and tested for impairment losses at least annually. Any impairment is recognised immediately in the income statement and cannot be reversed. Goodwill arising from acquisitions of associated companies is included in the reported value of shares in associated companies. Impairment tests are made on the total cash generating unit.

### Trademarks

Trademarks are stated at cost less accumulated amortisation and impairment charges. Trademarks being part of a purchase price allocation are normally judged to have indefinite lives with impairment tests annually or if triggered by events.

### Capitalised development

Expenditure on development activities, aiming at new or substantially improved products and processes, are capitalised if the process is technically and commercially feasible and the Group has sufficient resources to complete the development. The development expenditure capitalised includes the direct costs and, when appropriate, cost of direct labour and an appropriate proportion of overheads. Other development expenditures is expensed in

the income statement as incurred. Capitalised development expenditures are stated at cost less accumulated amortisation and impairment charges.

### Other intangible assets

Other intangible assets refers to acquired beneficial rights and broadcasting licenses and are stated at cost less accumulated amortisation and impairment charges.

Group (SEK million)	2022					2021				
	Goodwill	Trade-marks	Capitalised development	Other	Total other intangible assets	Goodwill	Trade-marks	Capitalised development	Other	Total other intangible assets
<b>Acquisition values</b>										
Opening balance	3,235	260	467	507	1,233	3,208	244	616	518	1,378
Investments during the year	–	–	126	–	126	–	–	106	–	106
Sales and disposals during the year	–	–	–5	–1	–6	–	–	–255	–18	–273
Acquired operations	443	–	2	–	2	–	–	–	–	–
Translation differences	24	8	–	3	12	27	16	–	7	23
<b>Closing balance as of 31 December</b>	<b>3,702</b>	<b>268</b>	<b>590</b>	<b>509</b>	<b>1,367</b>	<b>3,235</b>	<b>260</b>	<b>467</b>	<b>507</b>	<b>1,233</b>
<b>Accumulated amortisation and impairment</b>										
Opening balance	–1,897	–12	–286	–293	–591	–1,899	–13	–425	–252	–689
Sales and disposals during the year	–	–	5	1	6	–	–	255	18	273
Amortisation during the year	–	–	–97	–49	–146	–	–	–102	–52	–154
Impairment charges during the year	–	–	–	–	–	–	–	–15	–	–15
Translation differences	–	–	–	–	–4	2	1	–	–8	–7
<b>Closing balance as of 31 December</b>	<b>–1,897</b>	<b>–12</b>	<b>–378</b>	<b>–345</b>	<b>–735</b>	<b>–1,897</b>	<b>–12</b>	<b>–286</b>	<b>–293</b>	<b>–591</b>
<b>Carrying amount</b>										
As of 1 January	1,338	248	181	214	643	1,309	231	192	266	689
As of 31 December	1,805	256	212	164	632	1,338	248	181	214	643

**Note 12** cont.**Amortisation by function**

Group (SEK million)	2022	2021
Cost of sales	–131	–135
Selling and marketing expenses	–4	–7
General and administrative expenses	–11	–12
<b>Total</b>	<b>–146</b>	<b>–154</b>

**Impairment by function**

Group (SEK million)	2022	2021
Cost of sales	–	–15
<b>Total</b>	<b>–</b>	<b>–15</b>

**Intangible assets with indefinite useful lives**

Viaplay Group has goodwill and trademarks with indefinite lives amounting to SEK 2,061m (1,586).

**Impairment testing**

Impairment testing of goodwill and other intangible assets with indefinite lives, are based on calculations of the recoverable amount (value in use), using a discounted cash flow model. The Group's operations is considered as one cash generating unit. The cash flows of the cash generating unit are discounted at a pre-tax interest of 11.5% (10.6) considering the cost of capital, territory, the economic environment and risk. The model involves key assumptions such as sales, growth rates, sales prices and cost growth together with working capital requirements. These cash flow projections, calculated over a minimum of a five-year period, are based on actual operating results, forecasts and financial projections, using historical trends, general market conditions, industry trends and other available information. After the five-year period, a growth rate of 2% (2) is applied.

**Impairment**

The impairment test is carried out on a regular basis, annually or when triggered by events. According to the impairment test there were no impairment needs within the operations 2022. The impairment loss 2021 of SEK –15m is an impairment charge of capitalized development expenditure. The

impairment charge was based on a calculation of the fair value less costs to sell using indicative offers from potential buyers.

**Sensitivity**

The operations, which do not indicate an impairment requirement, have such a margin that reasonably possible adverse changes in individual parameters would not cause the value in use to fall below the carrying amount. However, cash flow projections are by their nature more uncertain and may also be influenced by factors outside the control of the company. Such factors could be political risks and general market conditions, which might quickly deteriorate due to a financial crisis.

**Note 13 Tangible assets****Accounting principle**

Tangible assets are reported at cost less accumulated depreciation and any write-downs. Depreciation is normally calculated using the straight-line method over the asset's estimated useful life. Where parts of an item of machinery and equipment have different useful lives, they are accounted for as separate items of machinery and equipment. Machinery and equipment are depreciated over a period of three to five years.

**Equipment, tools and installations**

Group (SEK million)	2022	2021
<b>Acquisition value</b>		
Opening balance	532	457
Investments during the year	60	105
Sales and scrapping during the year	–46	–37
Acquired operations	1	–
Translation differences	11	7
<b>Closing balance as of 31 December</b>	<b>558</b>	<b>532</b>
<b>Accumulated depreciation and write-downs</b>		
Opening balance	–369	–361
Sales and scrapping during the year	46	37
Depreciation during the year	–50	–41
Write-downs during the year	–2	–
Translation differences	–9	–5
<b>Closing balance as of 31 December</b>	<b>–384</b>	<b>–369</b>
<b>Carrying amount</b>		
As of 1 January	163	96
As of 31 December	174	163

**Depreciation by function**

Group (SEK million)	2022	2021
Cost of sales	–11	–23
General and administrative expenses	–39	–18
Other operating expenses	–	–1
<b>Total</b>	<b>–50</b>	<b>–41</b>

**Write-down by function**

Group (SEK million)	2022	2021
Other operating income and expenses	–2	–
<b>Total</b>	<b>–2</b>	<b>–</b>



## Note 14 Shares and participations in Group companies

### Group companies

The following companies are included in the Group. Share capital and voting rights represent 31 December 2022.

### Shares and participations in Group companies

Company name	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
Kilohertz AB	556444-7158	Sweden	100	100
Matador Film AB	556793-6637	Sweden	100	100
Viaplay Group Africa AB	556170-2217	Sweden	100	100
Viaplay Group International AB	556840-9287	Sweden	100	100
Viaplay Group Radio AB	556365-3335	Sweden	100	100
Viaplay Group Radio Sales AB	556490-7979	Sweden	100	100
Viaplay Group Services AB	556711-0290	Sweden	100	100
Viaplay Group Sweden AB	556304-7041	Sweden	100	100
Viaplay Group Sweden Holding AB	556057-9558	Sweden	100	100
Paprika Holding AB	556896-1444	Sweden	100	100
Viaplay Studios AB	556264-3261	Sweden	100	100
Viaplay Studios Sweden AB	556783-6704	Sweden	100	100
Viastrong Holding AB	556733-1086	Sweden	100	100
Paprika Studios EOOD		Bulgaria	100	100
L.I. Paprika AVC Ltd		Cyprus	100	100
Paprika Studios s.r.o.		Czech Republic	100	100
Epiq Films Aps		Denmark	100	100
Viaplay Group Denmark A/S		Denmark	100	100
TV3 Sport A/S		Denmark	100	100
Paprika Studios OÜ		Estonia	100	100
Viaplay Group Finland Oy		Finland	100	100
MTG Africa Management Ltd		Ghana	100	100
Paprika Production Kft.		Hungary	100	100

Company name	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
Paprika Scripted Kft.		Hungary	100	100
Paprika Services Kft.		Hungary	100	100
Paprika Studios Kft.		Hungary	100	100
Viaplay Group Ireland Limited		Ireland	100	100
UAB Paprika filmai		Lithuania	100	100
UAB studija Paprika		Lithuania	100	100
Viaplay Group Norway AS		Norway	100	100
P4 Radio Hele Norge AS		Norway	100	100
P5 Radio halve Norge AS		Norway	100	100
Viaplay Studios Norway AS		Norway	100	100
Viaplay Group Poland sp. z o.o.		Poland	100	100
Paprika Production sp. z o.o.		Poland	100	100
Paprika Studios Sp. z o.o.		Poland	100	100
S.C. Paprika Studios S.A.		Romania	100	100
MTG Senegal SA		Senegal	100	100
Paprika Studios s.r.o.		Slovakia	100	100
Paprika Studios d.o.o.		Slovenia	100	100
Viaplay Group Spain Technology, S.L.U		Spain	100	100
Viaplay Group Netherlands B.V.		The Netherlands	100	100
Modern Times Group Uganda Ltd		Uganda	100	100
Viaplay Group UK Limited		United Kingdom	100	100
Viaplay Group UK Sports Ltd		United Kingdom	100	100
Viaplay Group US Inc.		USA	100	100

## Note 15 Associated companies and joint ventures

### Participation in associated companies and joint ventures

Group (SEK million)	2022	2021
Opening balance	1,226	1,616
Share of earnings	275	40
Dividend	–300	–500
Write-down	–	–8
Translation differences	45	78
<b>Closing balance as of 31 December</b>	<b>1,246</b>	<b>1,226</b>

### Share of equity

Group, %	2022	2021
Allente Group AB, Stockholm	50	50
FilmNation, United Kingdom	40	40
Other	20–50	20–50

### Carrying amount

Group (SEK million)	2022	2021
Allente Group AB, Stockholm	1,206	1,180
FilmNation, United Kingdom	27	31
Other	13	15
<b>Total</b>	<b>1,246</b>	<b>1,226</b>

### Allente

Viaplay Group and Telenor Group each own 50% of the shares in Allente Group AB. This joint venture was established in May 2020 when Viasat Consumer, Viaplay Group's satellite pay-TV and broadband-TV business, was combined with Canal Digital, Telenor Group's satellite pay-TV business.

Viaplay Group reports its 50% share of Allente's net income as income from associated companies and joint ventures within its operating income.

### Allente, income statement (condensed)

100% of operations (SEK million)	2022	2021
Net sales	6,808	6,817
EBITDA before IAC	1,264	1,328
Depreciation and amortisation	–463	–433
<b>Operating income before IAC</b>	<b>801</b>	<b>895</b>
Items affecting comparability	–22	–736
<b>Operating income</b>	<b>779</b>	<b>159</b>
Financial items	–65	–55
Tax expense	–150	–22
<b>Net income for the year</b>	<b>564</b>	<b>82</b>
Other comprehensive income for the year	88	152
<b>Total comprehensive income for the year</b>	<b>652</b>	<b>234</b>

Viaplay Group's 50% share of net income amounts to SEK 282m (41).

### Allente, balance sheet (condensed)

100% of operations (SEK million)	2022	2021
Non-current assets	4,991	5,304
Cash and cash equivalents	152	196
Other current assets	1,885	1,692
<b>Total assets</b>	<b>7,028</b>	<b>7,192</b>
<b>Equity</b>	<b>2,411</b>	<b>2,359</b>
Borrowings	2,063	2,313
Other non-current liabilities	466	528
Current liabilities	2,088	1,992
<b>Total liabilities</b>	<b>4,617</b>	<b>4,833</b>
<b>Total equity and liabilities</b>	<b>7,028</b>	<b>7,192</b>
Net debt	1,938	2,156

## Note 16 Inventories

### Accounting principle

A significant portion of the amount reported as inventory by the Group refers to programme rights purchased for the Group's platforms. Programme rights are reported as inventory when the license period has begun, the programme itself is available for its first broadcast, the cost of the programme is known, and the programme content has been approved. Inventories are valued at the acquisition cost or net realizable value, whichever is lower. Net realisable value is the estimated selling price in the ordi-

**Note 16** cont.

nary course of business, less the estimated costs of completion and selling expenses. Programme rights for the Group's Subscription video on-demand (SVOD) and pay-TV services are normally expensed evenly over the license period or a maximum of 6 years. Free-TV programme rights are expensed in accordance with the estimated broadcasting period.

Programme rights invoiced, where the license period has not started and the programme cannot be reported as inventory, is reported as prepaid expenses. The recognition of sports rights begins when the contractual period starts or when an advance payment is made. Sports rights are held as prepaid programming and not as inventory because the programme is not available to broadcast in advance. Sports rights are allocated over the seasonal year and on a yearly basis or expensed directly if the right refer to an one-off sports event.

Future payment commitments in respect of contractual programme rights or sports rights that have not yet been accounted for as inventory or pre-paid expenses are disclosed as Future payment commitments, see note 24.

**Programme rights and other inventories**

Group (SEK million)	2022	2021
Opening balance	3,543	2,612
Additions during the year	3,927	3,223
Expensed during the year	-3,203	-2,739
Write-downs during the year	—	-3
Reclassification from prepaid programming	937	450
<b>Closing balance programme rights as of 31 December</b>	<b>5,204</b>	<b>3,543</b>
Other inventories	2	0
<b>Closing balance inventories as of 31 December</b>	<b>5,206</b>	<b>3,543</b>

**Note 17 Accounts receivable****Accounts receivable**

Group (SEK million)	2022	2021
Gross accounts receivable	1,267	924
Allowances for expected credit losses	-49	-77
<b>Total</b>	<b>1,218</b>	<b>847</b>

**Allowance for expected credit losses**

Group (SEK million)	2022	2021
Opening balance	77	68
Provision for potential losses	4	12
Actual losses	-4	-1
Reversed write-offs	-33	-3
Acquired operations	—	—
Translation differences	5	1
<b>Closing balance as of 31 December</b>	<b>49</b>	<b>77</b>

**Aging analysis of accounts receivable**

Group (SEK million)	2022	2021
Not due	1,041	740
Due, 30–90 days	165	84
Due, > 90 days	61	100
<b>Total</b>	<b>1,267</b>	<b>924</b>

The credit risk is diversified among a large group of customers. The credit risk is assessed based on historical data. The recognised values are judged to be a reasonable approximation of the fair values.

**Note 18 Prepaid expenses and accrued income****Prepaid expenses and accrued income**

Group (SEK million)	2022	2021
Prepaid personnel expenses	1	1
Prepaid production expenses	6	5
Other prepaid expenses	266	100
<b>Total prepaid expenses</b>	<b>273</b>	<b>106</b>
Accrued advertising income	44	39
Accrued subscription income	631	252
Accrued production income	233	85
Accrued license and royalty income	3	2
Other accrued income	55	31
<b>Total accrued income</b>	<b>966</b>	<b>409</b>
<b>Total prepaid expense and accrued income</b>	<b>1,239</b>	<b>515</b>

**Prepaid programming**

Group (SEK million)	2022	2021
Opening balance	4,475	3,496
Additions during the year	9,463	5,293
Expensed during the year	-6,661	-3,834
Write-down during the year	-27	-50
Reclassification to inventories	-937	-450
Translation differences	36	20
<b>Closing balance 31 December</b>	<b>6,349</b>	<b>4,475</b>



## Note 19 Shareholders' equity

### Accounting principle

#### Payment of capital to the owners

Repurchase of own shares are recognised as a deduction from equity. Proceeds from the disposal of such equity instruments are recorded as an increase in equity and any transaction costs are reported directly in equity.

Dividends are recognised as liabilities after the AGM has approved the dividend.

### Shares

The holder of a Viaplay Class A share is entitled to 10 voting rights, the holder of a Viaplay Class B and Viaplay Class C share one voting right. Class C shareholders are not entitled to dividend payments. The quota value is SEK 2 per share.

#### Number of issued shares

Group	Class A Shares	Class B Shares	Class C Shares	Total
Number of shares as at 31 December 2021	532,572	77,439,153	470,519	78,442,244
Reclassification of Class A shares	-1,036	1,036	-	-
Share awards vested (LTI 2019)	-	255,891	-255,891	-
Reclassification of Class C shares	-	5,128	-5,128	-
<b>Shares as of 31 December 2022</b>	<b>531,536</b>	<b>77,701,208</b>	<b>209,500</b>	<b>78,442,244</b>
Of which treasury shares	-	-6,782	-209,500	-216,282
<b>Shares excl treasury shares as at 31 December 2022</b>	<b>531,536</b>	<b>77,694,426</b>	<b>-</b>	<b>78,225,962</b>

Out of the totally issued shares, 6,782 (1,654) Class B shares and 209,500 (470,519) Class C shares are held as treasury shares. In 2022 a total of 255,891 (22,245) Class B shares were delivered to participants as part of an vesting of shares from the 2019 long-term incentive plan. The early vesting of shares 2021 was triggered by participants leaving Viaplay Group after the divestment of NENT Studios businesses.

### Share capital

Group (SEK million)	2022	2021
Opening balance	157	136
New share issue, Class B-shares (10,600,000)	-	21
<b>Closing balance as of 31 December</b>	<b>157</b>	<b>157</b>

### Other paid-in capital / Share premium reserve

The paid-in capital arises when shares are issued at a premium, i.e. shares were paid at a higher price than the quota value.

Group (SEK million)	2022	2021
Opening balance	4,282	-
Share issue (10,600,000 shares with subscription price SEK 410)	-	4,346
Share capital (10,600,000 shares with quota value SEK 2)	-	-21
Transaction costs	-	-43
<b>Share premium reserve</b>	<b>4,282</b>	<b>4,282</b>

### Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations to Swedish krona in the consolidated accounts.

Group (SEK million)	2022	2021
Opening balance	-47	-187
Translation differences for the year	123	140
<b>Translation reserve</b>	<b>76</b>	<b>-47</b>

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. Hedging positions are taken to protect the Group against the effects of transaction exposures in the contracted outflow for the main part of programme acquisitions in foreign currency.

Group (SEK million)	2022	2021
Opening balance	28	-261
Cash flow hedges, net of tax	108	289
<b>Hedging reserve</b>	<b>136</b>	<b>28</b>

### Retained earnings

Retained earnings comprise of previously earned income.

## Note 20 Provisions

### Accounting principle

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the timing of the payment is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the anticipated liability.

### Restructuring provision

In December the Group announced its changed operational model, introducing four commercial regions to the company's existing functional set-up, with the ambition to strengthen regional focus and bring the business closer to the customer. As a consequence a restructuring programme was initiated.

### Provision for royalties

The Group pays compensation for the music used in the Group's productions to the holders of music rights. As the final compensation is unknown at the end of the period, the best estimate of cost is reported.

### Change in provisions

Group (SEK million)	2022			2021		
	Restructuring provision	Royalties and other provisions	Total	Restructuring provisions	Royalties and other provisions	Total
Opening balance	5	367	372	38	284	322
Provisions during the year	28	295	323	—	262	262
Used during the year	—5	—292	—297	—18	—155	—173
Reversed during the year	—	—204	—204	—15	—28	—43
Translation differences	—	4	4	—	4	4
<b>Closing balance as of 31 December</b>	<b>28</b>	<b>170</b>	<b>198</b>	<b>5</b>	<b>367</b>	<b>372</b>
of which long-term	28	115	143	5	152	157
of which short-term	—	55	55	—	215	215

## Note 21 Accrued expenses and prepaid income

Group (SEK million)	2022	2021
Accrued personnel expenses	371	288
Accrued production expenses	130	93
Accrued distribution expenses	11	44
Accrued royalty expenses	43	38
Accrued marketing expenses	60	121
Other accrued expenses	252	294
<b>Total accrued expenses</b>	<b>866</b>	<b>879</b>
Prepaid advertising income	57	144
Prepaid subscription income	595	327
Prepaid production income	33	14
Prepaid license and royalty income	212	149
Other prepaid income	24	41
<b>Total prepaid income</b>	<b>920</b>	<b>675</b>
<b>Total accrued expenses and prepaid income</b>	<b>1,786</b>	<b>1,554</b>

## Note 22 Financial instruments and financial risk management

### Capital management

The primary objective of the Group's capital management is to ensure financial stability, manage financial risks and secure the Group's short-term and long-term need of capital. The Group defines its capital as equity including non-controlling interest as stated in the balance sheet.

The Group manages its capital structure and makes adjustments when necessary due to economic conditions in its environment. To maintain or adjust the capital structure, the Group may change the dividend payment to shareholders, buy back shares or issue new shares. The Group monitors capital efficiency using different ratios, such as return on capital employed and net debt / EBITDA including leasing, where the Group has a target to be under 2.5x over time. At the end of the period the figure was 8.6 (–2.1).

### Financial risk management

In addition to business operational risks, the Group is exposed to various financial risks in its operations. The most important financial risks are refinancing-, currency-, credit-, and interest rate risk. The risks during 2021–2022 were regulated by the financial policy adopted by Viaplay Group's Board of Directors in 2021.

The Group's financial policy constitutes a framework of guidelines and rules for financial risk management and financial activities in general. The policy is subject to a yearly review. The Group financial risks are continuously compiled and followed up at corporate level by the Group's treasury function to ensure compliance with the financial policy. The Parent company's treasury function is responsible for managing the financial risks. It is aimed to limit the Group's financial risks, and ensure that the Group has appropriate and secure financing for its current needs. Liquidity in the Group is concentrated with the Group's treasury function and in local cash pools. Surplus liquidity may be invested during a period of a maximum twelve months. The financial policy includes a special counterpart regulation by which a maximum credit exposure for various counter-parties to minimise the risk is stipulated.

### Liquidity risk

Liquidity risk is the risk of not being able to meet the need for future funding requirements. The Group's sources of funding are primarily shareholders' equity, cash flows from operations and borrowing. To reduce the refinancing risk the Group strives to diversify the funding sources and maturity tenors, and normally initiates refinancing of all loans 12 months before maturity. The Group shall strive for relevant key ratios equal to investment grade rating, although Viaplay Group's leverage may deviate temporarily from time to time. External borrowing is managed centrally in accordance with the Group's financial policy. Loans are primarily taken up by the parent company, and transferred to subsidiaries as internal loans or capital injections. There are currently no subsidiaries with external loans and/or overdraft facilities connected directly to these companies.

The Group has a corporate bond of SEK 150m maturing June 2023, a corporate bond of SEK 700m maturing May 2024, a corporate bond of SEK 650m maturing June 2025 and a corporate bond of SEK 600m maturing February 2026, all with variable three month Stibor interest plus a margin. The bonds have been issued under the Group's medium term note programme (with a total frame of SEK 4,000m).

Additionally the Group has a SEK 300m corporate bond with fixed interest rate maturing July 2026, plus a SEK 700m corporate bond maturing January 2025 and a SEK 300m corporate bond maturing March 2027. The last two have variable three month Stibor interest plus a margin, swapped from variable interest to fixed using interest rate swaps. In the short-term capital market, the Group has an uncommitted commercial paper programme with a frame of SEK 3,500m under which certificates for SEK 500m was issued at the balance sheet date.

The Group also has a five-year committed SEK 4,000m syndicated bank facility arranged in December 2020. The facility was un-utilised at the balance sheet date. The revolving credit facility is unsecured with no required amortisations and can be paid out in optional currencies. The interest varies with IBOR (not lower than 0%) depending on the currency utilised.

The Group has a syndicated trade finance facility where participating banks can issue guarantees for the Group's upcoming payments of commercial contracts. The facilities are subject to financial covenants. There are no regulatory external capital requirements to be met by the Parent company or any of the subsidiaries other than the covenants. The covenants have been fulfilled. The Group's commitments are shown in the balance sheet

or Note 24 Future payment commitments. Overdraft facilities within the Group's cash pool banks consist of one overdraft facility of SEK 150m, one of DKK 20m, and one of NOK 55m. The total is SEK 238m of which nil was drawn at the balance sheet date. On 31 December 2022, total short- and long-term borrowings amounted to SEK 3,900m (3,300) of which SEK 3,900m (3,300) borrowed from the capital market. The Group has a supplier financing programme where content production companies can use factoring of invoices to Group companies. The programme aims to support and facilitate the flow of productions among the external suppliers. Invoices received under this programme are treated as accounts payable in the financial statements.

### Net debt

Group (SEK million)	2022	2021
Short-term borrowings	650	800
Long-term borrowings	3,250	2,500
<b>Total financial borrowings</b>	<b>3,900</b>	<b>3,300</b>
Interest bearing receivables	20	20
Cash and cash equivalents	2,775	5,702
<b>Financial net debt</b>	<b>1,105</b>	<b>–2,422</b>
Lease liabilities	513	522
Sublease receivables	136	158
<b>Total lease liabilities net</b>	<b>377</b>	<b>364</b>
<b>Net debt</b>	<b>1,482</b>	<b>–2,059</b>
Cash pool overdraft facilities	238	234
of which utilised	–	–
Revolving credit facilities	4,000	4,000
of which utilised	–	–

### Debt by due date

Group (SEK million)	2022	2021
Amount due for settlement within 12 months	650	800
Amount due for settlement within 13 to 59 months	3,250	2,500
<b>Total</b>	<b>3,900</b>	<b>3,300</b>



## Note 22 cont.

## Terms and payback period

Group (SEK million)	Interest rate	Fixed interest rate	Effective interest rate	Carrying amount	Maturity within			
					Total	1 year	1–2 years	Over 2 years
<b>2022</b>								
Bond loan (floating rates)	4.02%	3 months	4.05%	3,112	3,433	282	818	2,333
Bond loan	1.94%	0–4 years	1.96%	303	323	6	6	309
Commercial papers	3.20%	1–4 months	3.29%	496	500	500	–	–
Interest rate swaps	1.45%	2–4 years	1.45%	9	20	8	7	5
Currency forwards				–	–	–	–	–
Lease liabilities				513	560	124	106	330
Accrued programming expenses				2,433	2,433	2,433	–	–
Accounts payable				3,298	3,298	3,298	–	–
<b>Total</b>				<b>10,163</b>	<b>10,567</b>	<b>6,651</b>	<b>937</b>	<b>2,977</b>
<b>2021</b>								
Bond loan (floating rates)	1.54%	3 months	1.58%	3,005	3,128	844	190	2,094
Bond loan	1.94%	0–5 years	1.98%	303	329	6	6	317
Interest rate swaps	0.00%	5 months	0.00%	–	–	–	–	–
Currency forwards				–	–14	–14	–	–
Lease liabilities				522	578	110	93	375
Accrued programming expenses				1,731	1,731	1,731	–	–
Accounts payable				2,891	2,891	2,891	–	–
<b>Total</b>				<b>8,452</b>	<b>8,643</b>	<b>5,568</b>	<b>289</b>	<b>2,786</b>

The interest have been calculated using the current interest rates on 31 December. The liabilities have been included in the period when repayment may be required at the earliest.

## Market risks

## Interest rate risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect cash flow, financial assets and liabilities. The Group is exposed to interest rate risk through loans, derivatives, other financial assets and utilised interest-bearing credit facilities. The Group's financial policy aims to gain financial flexibility through a balanced mix between variable and fixed interest rates and spreading maturities to match funding needs. During 2021–2022, the weighted average interest rate period was less than two years.

The Group has an interest rate swap with a nominal value of SEK 300m, fixing the interest of the corporate bond maturing 2027 to 3.424% and an interest rate swap with a nominal value of SEK 700m fixing the interest of the corporate bond maturing January 2025 to 3.436%. The swaps have a combined carrying amount of SEK –9m of which SEK –6m is accrued interest and SEK –3m is fair value adjustment to OCI before tax (SEK –2m after tax). Short-term investments and cash and cash equivalents amounted to SEK 2,775m (5,702), and the average interest rate period on these assets was around 0 month.

An increase of market rates of 1% would increase the interest cost by around SEK 7m. A 1% decrease would reduce the interest expense by around SEK 7m. Of the SEK 7m, SEK 21m comes from borrowing including interest rate swaps, and SEK –14m comes from cash and cash equivalents.

## Currency risk

Currency risk is the risk that fluctuations in exchange rates will adversely affect the income statement, balance sheet and/or cash flows. The risk can be divided into transaction exposure and translation exposure.

## Insurable risks

The Parent company ensures that the Group has sufficient insurance coverage, including business interruption, director and officer liabilities as well as asset losses. This is done via corporate umbrella solutions to cover most territories.

## Credit risk

Credit risk is defined as the risk that the counterpart in a transaction will not fulfill its contractual obligations and any collateral will not cover the claim of the Group. The credit risk in the Group consists of financial credit risk and customer credit risk.

Financial credit risk is the risk arising for the Group in its relations with financial counter-parties. The management of the financial credit risk is regulated in the Group's financial policy, which contains a framework of risk limits for external counter-parties based on credit ratings. Standardised ISDA agreements are signed with all counter-parties involved in foreign exchange transactions and interest rate swaps. Transactions are made within fixed limits and exposures are continuously monitored. The credit risk with respect to the Group's accounts receivable is diversified among a large number of customers, both private individuals and companies. The Group's assessment based on historical data is that there are no write-down requirements for accounts receivable not due. Most of the current outstanding accounts receivable comprise previously known customers, who are judged to have good credit worthiness. See also note 17 Accounts receivable.

The Group's exposure to credit risk amounts to SEK 4,450m (6,887) on 31 December. The exposure is based on the carrying amount for the financial assets, the major part comprising cash and cash equivalents.

**Note 22** cont.**Derivative instruments**

The Group uses forward contracts to hedge its exposure to foreign exchange arising from operational activities, and currency swaps to match the timing of foreign exchange flows. The major part of contracted programme acquisition outflows in US dollars is hedged.

The effective part of the gain or loss in the cash flow hedge is recognised in other comprehensive income with the aggregated changes in value in the hedge reserve in equity. When the forecasted transaction results in the recognition of programme inventory, the cumulative gain or loss is removed from equity and included in the initial cost of inventory.

The Group uses interest rate swaps to hedge its exposure to variable three months Stibor interest on bonds. Valuation of future cash-flows is recognised in other comprehensive income with the aggregated changes in value in the hedge reserve in equity.

Derivatives that do not qualify for hedge accounting are accounted for as financial instruments valued at fair value through profit and loss. This includes currency swaps used for converting the Group's cash pools to SEK.

**Transaction exposure**

Transaction exposure arises when inflow and outflow in foreign currencies are not matched.

The transaction exposure in the Group occur when the subsidiaries have external and internal transactions in currencies other than the subsidiary's functional currency. According to the Group's financial policy the Group shall hedge the major contractual future currency flows with forward contracts ahead of next year with a dynamic horizon of 13–19 months, with the possibility up to maximum 36 months forward for certain rights. The Group's treasury department strives to match inflows and outflows in the same currency to take advantage of natural hedges. Hedging is performed to protect the Group against the effects of transaction exposures in relation to the contracted outflows for content acquisitions which is mainly done in US dollars. Around 85–100% of the contracted USD outflows related to programme acquisitions for the next 12 months are hedged. The hedging reserve at year-end amounted to a total of SEK 136m (28), net of tax. Hedged with a maturity later than 12 months have a market value of SEK 28m (26) at year-end.

**Net of hedges and forecasted transaction exposures for the next 12 months**

Group (SEK million)	31 Dec 2022						31 Dec 2021					
	USD	EUR	DKK	NOK	GBP	PLN	USD	EUR	DKK	NOK	GBP	PLN
Transaction flows	–3,815	–6,179	3,554	3,117	–334	530	–3,440	–4,002	3,077	1,761	–389	20
Hedges due in 12 months	3,778	–	–	–881	244	–	2,379	500	–	–	226	–
<b>Net transaction flows</b>	<b>–37</b>	<b>–6,179</b>	<b>3,554</b>	<b>2,236</b>	<b>–90</b>	<b>530</b>	<b>–1,061</b>	<b>–3,502</b>	<b>3,077</b>	<b>1,761</b>	<b>–163</b>	<b>20</b>
Effect if SEK falls 5%	–2	–309	178	112	–5	27	–53	–175	154	88	–8	–

**Nominal value of the major cashflow hedge contracts**

Group (Currency million)	Nominal value	Carrying amount, SEK <sup>1</sup>	Weighted average hedged rate	Term, months	Hedge reserve through OCI, net of tax, SEK
<b>2022</b>					
USD	404	231	9.73%	1–14	
NOK	–832	4	1.06%	1–9	
GBP	23	7	12.19%	1–14	
EUR swap	–32	–1	11.13%	<1	
USD swap	79	–3	10.45%	<1	
NOK swap	130	–1	1.06%	<1	
<b>Total, SEK</b>		<b>237</b>			<b>108</b>
<b>2021</b>					
EUR hedge	49	3	10.26%	6	
USD	349	83	8.76%	1–26	
GBP	24	8	11.82%	1–15	
EUR swap	–22	1	10.24%	<1	
USD swap	52	–1	9.06%	<1	
DKK swap	150	–1	1.38%	<1	
<b>Total, SEK</b>		<b>93</b>			<b>289</b>

1) Included in 'Other long-term receivables' SEK 28m (26), 'Other current receivables' SEK 214m (83) and 'Other current liabilities' SEK 5m (16) in the Balance sheet.

The effect of a change in the currency rate by 5% on all of the outstanding positions as on 31 December would have been around SEK 211m (198) before tax.

**Translation exposure**

Translation exposure is the risk that arises when translating equity in a foreign subsidiary, associated company or joint venture. There are no hedging positions for translation exposure.

**Foreign net assets<sup>1</sup>**

Group (SEK million)	2022	2021
<b>Currency</b>		
NOK	658	708
EUR	99	83
DKK	379	354
Other currencies	7	8
<b>Total</b>	<b>1,143</b>	<b>1,153</b>

1) Including goodwill and other intangible assets arising from acquisitions of operations.

A 5% change in NOK/SEK would affect equity by around SEK 33m (35), in EUR/SEK the effect would be around SEK 5m (4) and in DKK/SEK around SEK 19m (18).

**Note 22** cont.**Accounting principle for financial instruments**

Financial assets and liabilities include cash and cash equivalents, securities, derivative instruments, other financial receivables, accounts receivable, accounts payable and loan liabilities.

**Financial assets at fair value through profit and loss****SHARES**

The Group's shareholdings in other companies refers to non-listed companies, changes in the fair values of these shares are recognised in profit and loss.

**DERIVATIVES**

Derivates are recognised as a financial asset at fair value and changes in the value is recognised in profit and loss or other comprehensive income when the hedged cash-flow is not yet recognised.

**Financial assets at amortised costs****LOANS AND RECEIVABLES**

Non-derivative financial assets including interest-bearing receivables, cash and cash equivalents, and accounts receivable, are measured at amortised cost. The amortised cost may be adjusted from time to time with valuation to market interest rates and write-downs based on risk assessment from historical losses. Such adjustments are minor at the balance date.

**Financial liabilities at fair value through profit or loss****DERIVATIVES**

Derivatives at fair value are recognised as financial liabilities and the changes in the value are recognised in profit and loss or other comprehensive income when the hedged cash-flow is not yet recognised.

**Financial liabilities at amortised costs**

Financial liabilities measured at amortised costs refers to accounts payable, long-term and short-term interest-bearing liabilities as well as the Group's accrued programming expenses.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy. The carrying amount of cash and cash equivalents, accounts receivable and other receivables as well as interest-bearing liabilities, accounts payable and

other liabilities equals fair value except for other financial liabilities where the fair value is SEK 65m (76) lower than the carrying amount, due to valuation of issued bonds.

**The Group's financial instruments by level**

	2022							
Group (SEK million)	Fair value hedging instruments	Fair value through profit and loss	Financial assets /liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Other shares	—	117	—	117	—	—	117	117
Forward exchange contracts used for hedging <sup>1</sup>	242	—	—	242	—	242	—	242
<b>Total</b>	<b>242</b>	<b>117</b>	<b>—</b>	<b>359</b>	<b>—</b>	<b>242</b>	<b>117</b>	<b>359</b>
<b>Financial assets measured at amortised cost</b>								
Accounts receivable and other receivables	—	—	1,235	1,235	—	—	—	—
Cash and cash equivalents	—	—	2,775	2,775	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>4,010</b>	<b>4,010</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities measured at fair value</b>								
Interest rate swaps <sup>2</sup>	3	—	—	3	—	3	—	3
Foreign exchange swaps <sup>3</sup>	—	5	—	5	—	5	—	5
<b>Total</b>	<b>3</b>	<b>5</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>8</b>
<b>Financial liabilities measured at amortised cost</b>								
Long-term borrowings	—	—	3,250	3,250	—	—	—	—
Short-term borrowings	—	—	650	650	—	—	—	—
Accounts payable	—	—	3,298	3,298	—	—	—	—
Accrued programming expenses	—	—	2,433	2,433	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>9,631</b>	<b>9,631</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

1) Of which SEK 28m is reported as 'Other long-term receivable' and SEK 214m is reported as 'Other current receivables' in the Balance sheet.

2) Included in 'Other non-current liabilities' in the Balance sheet.

3) Included in 'Other current liabilities' in the Balance sheet.

## Note 22 cont.

## The Group's financial instruments by level

Group (SEK million)	2021							
	Fair value hedging instruments	Fair value through profit and loss	Financial assets / liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Other shares	–	102	–	102	–	–	102	102
Forward exchange contracts used for hedging <sup>1</sup>	109	–	–	109	–	109	–	109
<b>Total</b>	<b>109</b>	<b>102</b>	<b>–</b>	<b>211</b>	<b>–</b>	<b>109</b>	<b>102</b>	<b>211</b>
<b>Financial assets measured at amortised cost</b>								
Accounts receivable and other receivables	–	–	894	894	–	–	–	–
Cash and cash equivalents	–	–	5,702	5,702	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>6,596</b>	<b>6,596</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Financial liabilities measured at fair value</b>								
Forward exchange contracts used for hedging <sup>2</sup>	14	2	–	16	–	16	–	16
<b>Total</b>	<b>14</b>	<b>2</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>16</b>
<b>Financial liabilities measured at amortised cost</b>								
Long-term borrowings	–	–	2,500	2,500	–	–	–	–
Short-term borrowings	–	–	800	800	–	–	–	–
Accounts payable	–	–	2,891	2,891	–	–	–	–
Accrued programming expenses	–	–	1,731	1,731	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>7,922</b>	<b>7,922</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

1) Of which SEK 26m is reported as 'Other long-term receivables' and SEK 83m is reported as 'Other current receivables in the Balance sheet.

2) Included in 'Other current liabilities' in the Balance sheet.



## Note 23 Leases

### Accounting principle

#### Group as a lessee

Upon initiation, contracts are assessed by the Group, to determine whether a contract is, or contains a lease. If the contract conveys the right to control the use of an identified asset for a certain period of time in exchange for consideration, then it is or contains a lease. All leases are recognised on the balance sheet at the date at which the leased asset is available for use by the Group as a right-of-use asset, representing the right to use the underlying asset, and lease liability.

The lease liability is initially measured at the present value of the future lease payments discounted by the implicit interest on the lease. When the interest rate cannot be easily determined, funding base rates with a risk

premium are to be used. The future lease payments include fixed payments, variable payments based on an index or a rate, amounts to be paid under a residual value guarantee and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option as well as penalties for early termination of a lease, if the Group is reasonably certain to terminate early.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs and restoration cost. The right-of-use asset is depreciated over the lease term, using the straight-line method.

### Right-of-use assets

Group (SEK million)	2022			2021		
	Real estate	Other leases	Total	Real estate	Other leases	Total
<b>Acquisition values</b>						
Opening balance	506	4	510	489	5	494
New lease contracts and indicies	78	2	80	109	–	109
End of lease contracts	–13	–	–13	–100	–1	–101
Translation differences	10	–	10	8	–	8
<b>Closing balance as of 31 December</b>	<b>581</b>	<b>6</b>	<b>587</b>	<b>506</b>	<b>4</b>	<b>510</b>
<b>Accumulated depreciation and write-downs</b>						
Opening balance	–186	–3	–189	–132	–2	–134
Depreciation and write-downs during the year	–71	–1	–72	–82	–1	–83
End of lease contracts	13	–	13	30	–	30
Translation differences	–5	–	–5	–2	–	–2
<b>Closing balance as of 31 December</b>	<b>–249</b>	<b>–4</b>	<b>–253</b>	<b>–186</b>	<b>–3</b>	<b>–189</b>
<b>Carrying amount</b>						
As of 1 January	320	1	321	357	3	360
As of 31 December	332	2	335	320	1	321

### Lease commitments

The Group has identified the following categories of leases; offices, cars and car parks. An interest rate of 0.8%–4.28% (local IBOR rate including risk premium) has been applied.

### Change in lease liabilities

Group (SEK million)	2022	2021
Opening balance	522	566
New lease contracts and indicies	80	96
End of lease contracts	–	–75
Interest on lease liabilities	16	18
Amortisation	–117	–114
Translation differences	12	31
<b>Closing balance as of 31 December</b>	<b>513</b>	<b>522</b>
of which long-term	394	416
of which short-term	119	106

### Age analysis lease liabilities

Group (SEK million)	2022	2021
Within 1 year	112	98
1–2 years	96	82
2–5 years	263	238
Over 5 years	42	104
<b>Total</b>	<b>513</b>	<b>522</b>

**Note 23** cont.**Cash flow during period**

Group (SEK million)	2022	2021
Payments of sublease receivables	32	33
Amortisation of lease liabilities	–117	–114
Short-term leases	–20	–12
Leases of low value items	–34	–38
Variable lease fees	–5	–4
<b>Total</b>	<b>–144</b>	<b>–135</b>

**Contractual cash flow**

Group (SEK million)	2022	2021
Within 1 year	124	110
1–2 years	106	93
2–5 years	281	261
Over 5 years	49	114
<b>Total</b>	<b>560</b>	<b>578</b>

**Group as a lessor - Subleases**

The Group assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head-lease. Lease contracts with the Group as lessor are classified as finance leases when substantially all of risks and rewards are transferred to the lessee, and otherwise as operating leases. Under a finance lease, the transaction is recognised as a sale and a lease receivable at an amount equal to the net investment in the lease. Lease payments are recognised as repayment of the lease receivable and interest income.

A substantial part of the London offices are subleased and classified as finance lease, as at 31 December the sublease receivable amounted to SEK 136m (158) and a payment of SEK 32m (33) was received during the year.

**Short-term leases, leases of low value items and variable lease fees**

The Group has applied the recognition exemption for short-term leases and leases for low value items. Lease fees for these leases are reported as a cost on a straight-line basis over the lease term. Studio equipment is normally leased on a short-term basis, and most IT- and office equipment are of low value.

Group (SEK million)	2022	2021
<b>Short-term leases</b>		
Studio equipment	20	12
<b>Leases for low value items</b>		
IT and office equipment	34	38
<b>Expense for contracts for which the recognition exemption is applied</b>	<b>54</b>	<b>50</b>
<b>Variable lease fees</b>		
Real estate tax	5	4

**Note 24 Future payment commitments**

Future payment commitments in respect of contractual programme or sport rights that have not yet been accounted for as inventory or prepaid expenses are presented as future payment commitments. The majority of commitments are in EUR and USD. The table below shows future payment commitments for non-cancellable programme and sport rights as at 31 December.

Group (SEK million)	2022	2021
Within 1–3 years	38,441	30,381
Within 4–10 years	19,020	25,035
<b>Total</b>	<b>57,461</b>	<b>55,417</b>

**Note 25 Assets pledged and contingent liabilities****Asset pledged**

There are no assets pledged in the Group in 2022 and 2021.

**Contingent liabilities**

Various companies within the group are involved in disputes, with for example collecting societies, over payment of royalties for the past use of copyrights and similar rights. Further, some Viaplay companies are parties in litigations. The Group does not believe that the outcome of these litigations are likely to have a material adverse effect on the financial position of the Group.

**Note 26 Divested operations****Accounting principle**

Capital gain or loss from divested operations arise from the difference between the fair value of the consideration received and the carrying value of the former subsidiaries' net assets. The gain or loss is recorded when Viaplay Group loses control over the subsidiaries.

**Divestment of Studio operations 2021**

Viaplay Group divested the non-scripted production, branded entertainment and events businesses during 2021. These businesses were part of the former Studios segment and reported as assets held for sale and discontinued operations since Q2 2020. Splay One was sold to Caybon on 6 April 2021. The divestment of the studios assets was finalised on 30 September 2021 with the sale of the remaining discontinued studios operations to Fremantle. The total capital loss including transaction costs amounted in total to SEK –45m and was reported within discontinued operations.

**Note 26** cont.

The NENT Studios UK content distribution business was sold to All3Media on 11 June 2021 and the divestment resulted in a capital loss (including transaction costs) amounting to SEK –74m which was reported within continuing operations.

Group (SEK million)	2021
Total consideration received, incl transaction costs	443
Carrying amount of net assets sold	–562
<b>Capital loss before reclass of foreign currency translation reserve</b>	<b>–119</b>
Reclassification of translation reserve	20
<b>Total loss on sale</b>	<b>–99</b>
of which reported within discontinued operations	–45

**Note 27 Acquired operations****Acquisition of Premier Sports**

Viaplay Group announced an agreement to acquire Premier Sports on the 21 July. Premier Sports operates sports streaming service and TV channels available across the UK. Premier Sports had a total of 222,000 paying subscribers at the end of June 2022.

The acquisition was finalised on 21 October and yields synergies that will accelerate the development of the Viaplay streaming service in the UK.

The purchase price amounted to SEK 387m on a cash and debt-free basis. Transaction costs for the acquisition amounted to SEK 11m. The purchase price allocation resulted in a surplus value of SEK 443m, which has been allocated to goodwill.

Premier Sports contributed with sales of SEK 56m and a negative EBIT of SEK –12m to Viaplay Group's consolidated income statement for 2022. If the acquisition had occurred on 1 January 2022 the contribution would have been SEK 337m in sales and SEK –90m in EBIT.

**Purchase price allocation**

Group (SEK million)	2022
<b>Consideration</b>	
Cash and cash equivalents	121
Debt	266
<b>Total consideration</b>	<b>387</b>
<b>Acquired net assets (liabilities –)</b>	
Intangible assets	3
Tangible assets	1
Other assets	169
Cash and cash equivalents	4
Current liabilities	–232
<b>Total identifiable net assets (liabilities –)</b>	<b>–55</b>
<b>Surplus value</b>	
Goodwill	443
<b>Total</b>	<b>387</b>
Acquisition related costs <sup>1</sup>	11

1) The acquisition related costs are included in Other operating income and expenses in the consolidated income statement.

**Note 28 Supplementary information to the statement of cash flow****Adjustments to reconcile net income/loss to net cash provided by operations**

Group (SEK million)	2022	2021
<b>Total operations</b>		
Depreciation and amortisation	268	298
Write-down of assets	2	28
<b>Total</b>	<b>270</b>	<b>326</b>
of which discontinued operations	–	30
Provisions	–151	28
Share of earnings in associated companies and joint ventures	–275	–40
Capital gain	–53	–
Capital loss on divestment of Studio business	–	99
Write-down of shares in other companies	–	20
Other items	–110	35
<b>Total</b>	<b>–589</b>	<b>142</b>
of which discontinued operations	–	27

**Payments for interest and corporate tax**

Group (SEK million)	2022	2021
<b>Total operations</b>		
Interest paid	–132	–77
Interest received	28	11
<b>Net interest</b>	<b>–104</b>	<b>–66</b>
Corporate income tax	–274	–111

**Note 28** cont.**Reconciliation of debts arising from financing activities**

Group (SEK million)	2022			2021		
	Long-term borrowings	Short-term borrowings	Lease liabilities	Long-term borrowings	Short-term borrowings	Lease liabilities
<b>Total operations</b>						
Opening balance	2,500	800	522	3,300	1,260	566
New borrowings	1,400	–	–	–	–	–
Amortisation	–	–800	–101	–	–1,260	–96
Reclassification	–650	650	–	–800	800	–
Other non-cash items	–	–	92	–	–	52
<b>Closing balance as of 31 December</b>	<b>3,250</b>	<b>650</b>	<b>513</b>	<b>2,500</b>	<b>800</b>	<b>522</b>

**Note 30 Audit fees**

Group (SEK million)	2022	2021
KPMG, audit fees	12	11
KPMG, audit related fees	0	1
KPMG, tax related fees	0	0
KPMG, other services	0	0
<b>Total</b>	<b>12</b>	<b>12</b>

**Note 29 Average number of employees****Average number of employees by country**

Group	2022			2021		
	Men	Women	Total	Men	Women	Total
Sweden	486	397	883	441	336	777
Norway	117	82	199	92	69	161
Denmark	158	80	238	153	68	221
Finland	23	9	32	17	8	25
United Kingdom	55	75	130	51	66	117
Other countries	66	38	104	8	19	27
<b>Total</b>	<b>905</b>	<b>681</b>	<b>1,586</b>	<b>762</b>	<b>566</b>	<b>1,328</b>

**Gender distribution senior executives**

Group, %	2022		2021	
	Men	Women	Men	Women
Board of Directors	50	50	50	50
CEO	100	–	100	–
Other senior executives	44	56	50	50
<b>Total</b>	<b>50</b>	<b>50</b>	<b>53</b>	<b>47</b>



Note 31 Related party transactions

The Group has related party relationships with its subsidiaries, associated companies and joint ventures (see notes 14 and 15). Allente Group AB is a related party since May 2020. All related party transactions are based on market terms and negotiated on an arm’s length basis.

Group (SEK million)	2022	2021
<b>Sales</b>		
Allente Group AB	1,436	1,560
Associated companies	52	72
<b>Total</b>	<b>1,488</b>	<b>1,632</b>
<b>Cost from</b>		
Allente Group AB	134	36
Associated companies	40	31
<b>Total</b>	<b>174</b>	<b>67</b>
<b>Group (SEK million)</b>	<b>2022</b>	<b>2021</b>
<b>Accounts receivable and other receivables</b>		
Allente Group AB	159	135
Associated companies	2	15
<b>Total</b>	<b>161</b>	<b>150</b>
<b>Accounts payable and other liabilities</b>		
Allente Group AB	6	2
Associated companies	3	9
<b>Total</b>	<b>9</b>	<b>11</b>
<b>Dividend from Allente Group AB</b>	<b>300</b>	<b>500</b>

Remuneration to senior executives

No other transactions than reported in note 7 have been made.

Note 32 Significant events after the reporting period

Viaplay launched direct-to-consumer in US and Canada

Viaplay Group launched its Viaplay streaming service on a direct-to-consumer (D2C) basis in the US on 22 February and in Canada on 7 March. Viewers will be able to stream more than 1,500 hours of premium European content through the Viaplay app at launch, with at least one premiere to follow every week. Viaplay’s unique offering includes popular ‘Nordic Noir’ dramas and critically acclaimed series, films and documentaries, many starring major Hollywood names. The service will be priced at USD 5.99 and CAD 6.99 per month in the US and Canada respectively. Viaplay’s North American launches will take its D2C footprint to 13 markets.

Viaplay Group’s sustainability leadership and emission reduction targets recognised

Viaplay Group has been recognised for its leading sustainability performance by Sustainalytics for the second consecutive year, following an analysis of over 15,000 companies around the world, and has received both a 2023 Industry Top-Rated Badge and a Regional Top-Rated Badge. In addition, Viaplay Group’s 2030 emission reduction targets for greenhouse gases (GHG) have been validated by the Science Based Targets Initiative (SBTi) as in line with the Paris Agreement’s trajectory for limiting global warming to 1.5°C.

Issue and repurchase of class C shares for incentive programmes

Viaplay Group (publ) announced 23 March that the Board of Directors has resolved to issue and repurchase 680,000 class C shares to secure delivery of shares under Viaplay Group’s incentive programmes in accordance with the resolutions of the Annual General Meeting held on 18 May 2022.

## Parent company

# Parent company income statement

SEK million	Note	2022	2021
Net sales		123	86
General and administrative expenses	P3	–298	–228
Other operating income and expenses		1	1
<b>Operating income</b>	P2	<b>–174</b>	<b>–141</b>
Interest income and other financial income	P4	272	159
Interest expenses and other financial expenses	P4	–134	–101
<b>Income before tax and appropriations</b>		<b>–36</b>	<b>–83</b>
Group contribution		–	186
<b>Income before tax</b>		<b>–36</b>	<b>103</b>
Tax expenses	P5	36	–
<b>Net income for the year</b>		<b>0</b>	<b>103</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss net of tax</b>			
Cash flow hedge		–2	–
<b>Other comprehensive income for the year</b>		<b>–2</b>	<b>–</b>
<b>Total comprehensive income for the year</b>		<b>–2</b>	<b>103</b>

## Parent company

# Parent company balance sheet

SEK million	Note	31 Dec 2022	31 Dec 2021
<b>Non-current assets</b>			
Shares and participations in Group companies	P6	223	202
Long-term receivables from Group companies	P7	9,053	5,931
Other long-term receivable		40	–
<b>Total non-current assets</b>		<b>9,316</b>	<b>6,133</b>
<b>Current assets</b>			
Short-term receivables from Group companies		2,919	943
Other current receivables		250	110
Prepaid expenses and accrued income	P8	28	21
Cash and bank		2,610	5,590
<b>Total current assets</b>		<b>5,807</b>	<b>6,664</b>
<b>Total assets</b>		<b>15,123</b>	<b>12,797</b>

SEK million	Note	31 Dec 2022	31 Dec 2021
<b>Equity</b>			
Share capital		157	157
Share premium reserve		4,282	4,282
Fair value reserve		–2	–
Retained earnings		2,199	2,062
Net income for the year		0	103
<b>Total equity</b>		<b>6,636</b>	<b>6,604</b>
<b>Non-current liabilities</b>			
Long-term borrowings	P10	3,250	2,500
Other non-current liabilities		9	–
<b>Total non-current liabilities</b>		<b>3,259</b>	<b>2,500</b>
<b>Current liabilities</b>			
Short-term borrowings	P10	650	800
Accounts payable		9	6
Liabilities to Group companies	P10	4,163	2,643
Tax liabilities		0	35
Accrued expenses and prepaid income	P9	136	87
Other current liabilities		270	122
<b>Total current liabilities</b>		<b>5,228</b>	<b>3,693</b>
<b>Total liabilities</b>		<b>8,487</b>	<b>6,193</b>
<b>Total equity and liabilities</b>		<b>15,123</b>	<b>12,797</b>

## Parent company

# Parent company statement of changes in equity

SEK million	Restricted equity	Non-restricted equity				Total
	Share capital	Share premium reserve	Fair value reserve	Retained earnings	Net income for the year	
<b>Balance as of 1 January 2021</b>	<b>136</b>	<b>–</b>	<b>–</b>	<b>1,777</b>	<b>255</b>	<b>2,168</b>
Appropriation of earnings	–	–	–	255	–255	–
Net income for the year	–	–	–	–	103	103
Other comprehensive income for the year	–	–	–	–	–	–
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>103</b>	<b>103</b>
Share issue	21	4,325	–	–	–	4,346
Share issue transaction cost, net of tax	–	–43	–	–	–	–43
Effect of share-based programmes	–	–	–	30	–	30
<b>Balance as of 31 December 2021</b>	<b>157</b>	<b>4,282</b>	<b>–</b>	<b>2,062</b>	<b>103</b>	<b>6,604</b>
<b>Balance as of 1 January 2022</b>	<b>157</b>	<b>4,282</b>	<b>–</b>	<b>2,062</b>	<b>103</b>	<b>6,604</b>
Appropriation of earnings	–	–	–	103	–103	–
Net income for the year	–	–	–	–	0	0
Other comprehensive income for the year	–	–	–2	–	–	–2
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–2</b>	<b>–</b>	<b>0</b>	<b>–2</b>
Effect of share-based programmes	–	–	–	34	–	34
<b>Balance as of 31 December 2022</b>	<b>157</b>	<b>4,282</b>	<b>–2</b>	<b>2,199</b>	<b>0</b>	<b>6,636</b>



## Parent company

# Parent company cash flow statement

SEK million	Note	31 Dec 2022	31 Dec 2021
<b>Operating activities</b>			
Net income for the year		0	103
Adjustments for non-cash items	P12	–34	7
<b>Cash flow from operations excluding changes in working capital</b>		<b>–34</b>	<b>110</b>
Change in operating receivables		–101	–127
Change in operating liabilities		10	–89
<b>Changes in working capital</b>		<b>–91</b>	<b>–216</b>
<b>Cash flow from operating activities</b>		<b>–125</b>	<b>–106</b>
<b>Investing activities</b>			
Shareholders' contribution		–	–60
<b>Cash flow from investing activities</b>		<b>–</b>	<b>–60</b>
<b>Financing activities</b>			
New borrowings	P12	1,400	–
Amortisation of borrowings	P12	–800	–1,260
Receivables from Group companies		–5,173	1,331
Liabilities to Group companies		1,520	–918
Group contribution		187	364
Share issue, net of transaction costs		–	4,292
Cash flow from other financing activities		11	8
<b>Cash flow from financing activities</b>		<b>–2,855</b>	<b>3,816</b>
<b>Change in cash and cash equivalents for the year</b>		<b>–2,980</b>	<b>3,651</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>5,590</b>	<b>1,939</b>
<b>Cash and cash equivalents at end of the year</b>		<b>2,610</b>	<b>5,590</b>

# Notes to the Parent company financial statements

## Parent company

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## Parent company

# Notes to the Parent company financial statements

## Note P1 Accounting and valuation principles

Viaplay Group AB (publ) (Viaplay), corporate identity number 559124-6847, is the Parent company of Viaplay Group. The company is a limited company and its shares are listed on Nasdaq Stockholm, Sweden. The name of the company has been changed from Nordic Entertainment Group AB during the year.

Viaplay Group AB is a company domiciled in Sweden. The company's headquarter is located in Stockholm, Sweden and the registered office is at Ringvägen 52, P.O. Box 2094, SE-103 13 Stockholm, Sweden.

### Basis of preparation

The Parent Company applies the same accounting principles as the Group, except in the cases specified in the sections below.

The Parent company has prepared the Annual Report according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. RFR 2 involves application of all IFRSs and interpretations endorsed by EU, except where the possibility to apply IFRS is restricted by the Swedish Annual Accounts Act and due to tax rules.

### Holdings in subsidiaries

Holdings in subsidiaries are recognised in the Parent Company according to the purchase method, which means that the transaction costs are included in the recognised value of shares in subsidiaries. The Group recognises these costs in the income statement immediately when occurred.

### Group contributions

Group contributions received and paid are recognised as appropriations in the income statement.

The accounting estimates and judgements are found on page 52.

## Note P2 Classification by nature of expense

A function based income statement is presented as part of the financial statements of the Parent company. The table below presents how the operational costs are classified based on the nature of expense.

Parent company (SEK million)	2022	2021
Net sales	123	86
Other operating income	2	1
Personnel cost	–231	–168
Other external expenses	–68	–60
<b>Operating income</b>	<b>–174</b>	<b>–141</b>

## Note P3 Salaries, other remuneration and social security expenses

Parent company (SEK million)	2022	2021
Wages and salaries	155	103
Social security expenses	45	34
Pensions costs	13	9
Share-based payments	13	12
Social security expenses on share-based payments	–2	8
<b>Total</b>	<b>224</b>	<b>167</b>

Parent company (SEK million)	2022	2021
Board of Directors, CEO and Group Executive Members	132	83
of which variable salary	96	42
Other employees	92	84
<b>Total salaries and other remuneration</b>	<b>224</b>	<b>167</b>

For further information regarding remunerations to the Board of Directors, President and CEO and the Group Management together with the Group's long term incentive programme see the Group's note 7.

## Note P4 Financial items

Parent company (SEK million)	2022	2021
Interest income from external parties	26	2
Interest income from Group companies	241	155
Exchange rate differences	5	2
<b>Total interest income and other financial income</b>	<b>272</b>	<b>159</b>
Interest expenses to external parties	–121	–100
Interest expenses to Group companies	–13	–1
<b>Total interest expense and other financial expenses</b>	<b>–134</b>	<b>–101</b>
<b>Net financial items</b>	<b>138</b>	<b>58</b>

## Note P5 Taxes

For a description of the accounting principle see Group's note 9.

### Distribution of tax expense

Parent company (SEK million)	2022	2021
Current tax expense	–	–11
Adjustment for prior years	–	10
Deferred tax	36	1
<b>Total</b>	<b>36</b>	<b>–</b>

### Reconciliation of effective tax

Parent company (SEK million)	2022				2021			
	Tax base	Current tax	Deferred tax	Total Tax	Tax base	Current tax	Deferred tax	Total Tax
Income before tax – Nominal tax rate, 20.6%	–36	7	–	7	103	–21	–	–21
Non-taxable income	–133	28	–	28	–57	12	–	12
Non-deductible expenses	–5	1	–	1	2	–	–	–
Temporary differences	3	–1	1	–	6	–1	1	–
Tax losses, capitalised	171	–35	35	–	–	–	–	–
Prior year adjustment	–	–	–	–	–	9	–	9
<b>Total</b>	<b>–</b>	<b>–</b>	<b>36</b>	<b>36</b>	<b>–</b>	<b>–1</b>	<b>1</b>	<b>–</b>

### Deferred tax is attributable to

Parent company (SEK million)	Opening balance 1 Jan 2021	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	31 Dec 2021 / 1 Jan 2022	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	Closing balance 31 Dec 2022
Financial assets	–1	1	–	–	36	1	37
<b>Total</b>	<b>–1</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>36</b>	<b>1</b>	<b>37</b>
of which Deferred tax asset	–			–			37
of which Deferred tax liability	–1			–			–

There were no tax losses carry forward in 2022 and 2021 in the Parent company.



**Note P6 Shares and participations in Group companies****Viaplay Group Sweden Holding AB**

Co. Reg.no.	556057-9558
Share capital (%)	100
Voting rights (%)	100
Number of shares	5,000
Registered office	Stockholm

**Shares and participations in Group companies**

Parent company (SEK million)	2022	2021
Opening balance	202	123
Long-term incentive programme related to employees in Group companies	21	18
Shareholder's contribution	–	60
<b>Closing balance 31 December</b>	<b>223</b>	<b>202</b>

**Note P7 Long-term receivables from Group companies****Interest-bearing receivables from Group companies**

Parent company (SEK million)	2022		2021	
	Long-term receivables	Short-term receivables	Long-term receivables	Short-term receivables
Opening balance	5,931	13	5,926	3
New borrowings	3,576	18	1,086	13
Amortisation	–464	–13	–1,097	–3
Translation difference	10	–	16	–
<b>Closing balance as of 31 December</b>	<b>9,053</b>	<b>18</b>	<b>5,931</b>	<b>13</b>

**Note P8 Prepaid expenses and accrued income**

Parent company (SEK million)	2022	2021
Prepaid expenses	26	21
Accrued income	2	–
<b>Total</b>	<b>28</b>	<b>21</b>

**Note P9 Accrued expenses and prepaid income**

Parent company (SEK million)	2022	2021
Accrued personnel expenses	106	50
Other accrued expenses	30	38
<b>Total</b>	<b>136</b>	<b>87</b>

## Note P10 Financial instruments and financial risk management

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy. The carrying amount of cash and cash equivalents, other receivables, and receivables from group companies and interest-bearing liabilities, accounts

payable and other liabilities. Carrying amount equals fair value except for other financial liabilities where the fair value is SEK 65m lower than carrying amount for 2022 and SEK 76m higher for 2021.

Parent company (SEK million)	2022				2021			
	Fair value hedging instruments	Fair value through profit and loss	Financial assets / liabilities at amortised cost	Total	Fair value hedging instruments	Fair value through profit and loss	Financial assets / liabilities at amortised cost	Total
<b>Financial assets measured at fair value</b>								
Forward exchange contracts used for hedging <sup>1</sup>	243	–	–	243	109	–	–	109
<b>Total</b>	<b>243</b>	<b>–</b>	<b>–</b>	<b>243</b>	<b>109</b>	<b>–</b>	<b>–</b>	<b>109</b>
<b>Financial assets measured at amortised cost</b>								
Receivables from Group companies	–	–	11,972	11,972	–	–	6,875	6,875
Other receivables	–	–	–	–	–	–	107	107
Cash and cash equivalents	–	–	2,610	2,610	–	–	5,590	5,590
<b>Total</b>	<b>–</b>	<b>–</b>	<b>14,582</b>	<b>14,582</b>	<b>–</b>	<b>–</b>	<b>12,572</b>	<b>12,572</b>
<b>Financial liabilities measured at fair value</b>								
Interest rate swaps <sup>2</sup>	3	–	–	3	–	–	–	–
Forward exchange contracts used for hedging <sup>3</sup>	243	5	–	248	109	2	–	111
<b>Total</b>	<b>246</b>	<b>5</b>	<b>–</b>	<b>251</b>	<b>109</b>	<b>2</b>	<b>–</b>	<b>111</b>
<b>Financial liabilities measured at amortised cost</b>								
Long-term borrowings	–	–	3,250	3,250	–	–	2,500	2,500
Short-term borrowings	–	–	650	650	–	–	800	800
Liabilities to Group companies	–	–	4,163	4,163	–	–	2,643	2,643
Accounts payable and other liabilities	–	–	32	32	–	–	16	16
<b>Total</b>	<b>–</b>	<b>–</b>	<b>8,095</b>	<b>8,095</b>	<b>–</b>	<b>–</b>	<b>5,959</b>	<b>5,959</b>

1) Included in 'Other current receivables' in the Balance sheet.

2) Included in 'Other long-term liabilities' in the Balance sheet.

3) Included in 'Other current liabilities' in the Balance sheet.

## Note P11 Assets pledged and contingent liabilities

### Assets pledged

There are no assets pledged in the Parent company in 2022 and 2021.

### Contingent liabilities

The Parent company has guarantees related to rental agreements and supplier financing amounting to SEK 1,232m (759). In addition the Parent company issues guarantees to the benefit of the Group companies having future payment commitments (see note 24).

## Note P12 Supplementary information to the statement of cash flow

### Adjustments for non-cash items

Parent company (SEK million)	2022	2021
Provisions	–	–6
Other items	–34	13
<b>Total</b>	<b>–34</b>	<b>7</b>

### Interest and corporate tax paid

Parent company (SEK million)	2022	2021
Interest paid	–116	–57
Interest received	22	2
<b>Net interest</b>	<b>–94</b>	<b>–55</b>
Corporate income tax	–40	–75

**Note P12** cont.**Reconciliation of debts arising from financing activities**

Parent company (SEK million)	2022		2021	
	Long-term borrowings	Short-term borrowings	Long-term borrowings	Short-term borrowings
Opening balance	2,500	800	3,300	1,260
New borrowings	1,400	–	–	–
Amortisation of borrowings	–	–800	–	–1,260
Reclassification	–650	650	–800	800
<b>Closing balance as of 31 December</b>	<b>3,250</b>	<b>650</b>	<b>2,500</b>	<b>800</b>

At year-end cash pool liabilities amounted to SEK 4,163m (2,643).

**Note P13** Average number of employees

	2022	2021
Men	20	22
Women	44	35
<b>Total</b>	<b>64</b>	<b>57</b>

**Gender distribution senior executives**

%	2022		2021	
	Men	Women	Men	Women
Board of Directors	50	50	50	50
CEO	100	–	100	–
Other senior executives	20	80	28	72
<b>Total</b>	<b>39</b>	<b>61</b>	<b>43</b>	<b>57</b>

**Note P14** Audit fees

Parent company (SEK million)	2022	2021
KPMG, audit fees	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

**Note P15** Proposed treatment of unappropriated earnings

**The Board of Directors proposes that the unappropriated earnings be allocated as follows:**

The following sum in the Parent company is available for disposal by the Annual General Meeting:

SEK thousands	
Share premium reserve	4,281,596
Retained earnings	2,197,319
Net profit for the year	–79
<b>Total</b>	<b>6,478,836</b>

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

SEK thousands	
Carried forward	6,478,836
<b>Total</b>	<b>6,478,836</b>

# Signatures

The Board of Directors and the Chief Executive Officer declares that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards.

The annual accounts and the consolidated accounts give a true and fair view of the Group’s and Parent Company’s financial position and results of operations. The Directors’ report for the Group and the Parent Company gives a true and fair view of the Group’s and the Parent Company’s operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual

accounts and the consolidated statements were approved by the Board of Directors and the Chief Executive Officer on 3 April, 2023. The consolidated income statement and balance sheet, and the income statement and balance sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on 16 May, 2023.

Stockholm 3 April, 2023

**Pernille Erenbjerg**  
Chair of the Board

**Simon Duffy**  
Non-Executive Director

**Natalie Tydeman**  
Non-Executive Director

**Kristina Schauman**  
Non-Executive Director

**Anders Borg**  
Non-Executive Director

**Andrew House**  
Non-Executive Director

**Anders Jensen**  
President and CEO

Our Audit report was submitted 3 April, 2023  
KPMG AB

**Tomas Gerhardsson**  
Authorised Public Accountant



# Auditor's report

To the general meeting of the shareholders of Viaplay Group AB, corp. id 559124-6847

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Viaplay Group AB for the year 2022, except for the corporate governance statement on pages 38-44. The annual accounts and consolidated accounts of the company are included on pages 24-91 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of December 31, 2022, and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2022, and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 38-44. The statutory Directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Auditor’s report

Valuation of goodwill and other intangible assets

See note 2 and 12 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The Group recognised goodwill and other intangible assets such as trademarks and capitalised expenditure of SEK 2,437 million as of December 31, 2022.

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. Other intangible assets are tested when there is an indication of impairment. Impairment tests are complex and involve significant judgments in determining the estimated recoverable amount.

The estimated recoverable amount of the assets is based on forecasts and discounted future cash flows where estimates of discount rate, revenue projections and long-term growth rate are dependent on the Group’s judgment.

Response in the audit

We have assessed whether the impairment test has been prepared in accordance with the prescribed technique.

We have evaluated the methodology used, assumptions made, and data used for the calculation. Furthermore, we have evaluated the projections of future cash flows and the underlying assumptions on which they are based, including the long-term growth rate and the discount rate used. We have considered the Group’s sensitivity analyses which demonstrated the impact of reasonable changes in assumptions in determining whether an impairment charge is required.

We have also assessed the content of the disclosures on goodwill and other intangible assets in the annual accounts and the consolidated accounts.

Programme rights amortisation

See note 2, 5 and 16 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Payments for programme rights are accounted for as either inventories or prepaid expenses, depending mainly on the start of the license period. Programme rights inventory, where the license period has commenced, amounted to SEK 5,206 million as of December 31, 2022.

Determining the timing and amount to be expensed of programme rights inventory requires judgment in selecting the appropriate recognition profile and ensuring that this profile meets the objective of recognising inventory expense in a manner consistent with how the rights are used by the Group.

There is a risk that the recognition profile selected by the Group to account for inventory expense does not fairly reflect the usage.

Response in the audit

We have examined the methodology for expensing programme rights inventory taking into account the different genres of programmes, any significant changes in viewing patterns during the year and other factors evaluated by the Group.

In addition, we performed sample testing of contracts to evaluate acquisition cost and amortisation periods. We evaluated the recoverability of the carrying amount by analyzing the assets on a portfolio basis and comparing the carrying amount as of December 31, 2022, to current year revenue and future projections to determine if any indicators of impairment exist.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–23 and 97–153. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are

free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Chief Executive Officer are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Auditor’s report

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors’ and the Chief Executive Officer’s, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor’s report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

AUDITOR’S AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Viaplay Group AB for the year 2022 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory directors’ report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the

requirements which the company’s and the group’s type of operations, size and risks place on the size of the parent company’s and the group’s equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organisation and the administration of the company’s affairs. This includes among other things continuous assessment of the company’s and the group’s financial situation and ensuring that the company’s organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors’ guidelines and instructions and among other matters take measures that are necessary to fulfill the company’s accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor’s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Auditor’s report

Our objective concerning the audit of the proposed appropriations of the company’s profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company’s profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company’s situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR’S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Viaplay Group AB for year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**

We have performed the examination in accordance with FAR’s recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors’ responsibility section. We are independent of Viaplay Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Directors and the Chief Executive Officer**

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Chief Executive Officer determine is necessary to

prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor’s responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks

of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Chief Executive Officer, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Chief Executive Officer.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.



Auditor’s report

THE AUDITOR’S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 38-44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR’s auditing standard RevR 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, P.O.Box 382, SE-101 27, Stockholm, was appointed auditor of Viaplay Group AB by the general meeting of the shareholders on May 18, 2022. KPMG AB or auditors operating at KPMG AB have been the company’s auditor since 2018.

Stockholm 3 April, 2023  
KPMG AB

**Tomas Gerhardsson**  
Authorised Public Accountant

# Alternative Performance Measures

The purpose of Alternative Performance Measures (APM) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. Viaplay Group is using the following Alternative Performance Measures:

- Change in net sales from organic growth, acquisitions/divestments and changes in FX rates
- Operating income before associated companies and IAC
- Operating income before IAC
- Net debt and net debt / EBITDA
- Capital Employed and Return on Capital Employed (ROCE)
- Adjusted net income and earnings per share

## Reconciliation of sales growth

Since the Group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Group's sales trends and performance are analysed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates.

Group (SEK million)	Reported net sales	Acquisitions/ divestments	Net sales adjusted for acquisitions/ divestments	Changes in FX rates	Net sales adjusted for acquisitions/ divestments and changes in FX rates
2022	15,691	–56	15,635	–542	15,093
2021	12,661	–48	12,613	–	12,613
<b>Growth</b>	<b>3,030</b>		<b>3,022</b>		<b>2,480</b>
Growth %	23.9%		24.0%		19.7%

## Reconciliation of operating income before associated companies and items affecting comparability (IAC)

Operating income before associated company income (ACI) and items affecting comparability (IAC) refers to operating income after the reversal of material items and events related to changes in the Group's structure

or lines of business, which are relevant for understanding the Group's development on a like-for-like basis. This measure is used by management to follow and analyse the underlying profits and to offer more comparable figures between periods.

## Operating income before IAC and associated companies income

Group (SEK million)	2022	2021
Operating income	413	573
Items affecting comparability (IAC)	510	–74
<b>Operating income before items affecting comparability</b>	<b>–97</b>	<b>647</b>
Associated companies income	275	40
<b>Operating income before associated companies and IAC</b>	<b>–372</b>	<b>607</b>

## Items affecting comparability

Group (SEK million)	2022	2021
Capital loss from divestment of NENT Studio UK and write-down of Studio assets	–	–74
Restructuring costs	–37	–
Write-down of content	–27	–
Acquisition and integration cost for Premier Sports	–22	–
Settlement of court cases	595	–
<b>Total</b>	<b>510</b>	<b>–74</b>

## Items affecting comparability classified by function

Group (SEK million)	2022	2021
Cost of sales	–38	–
Administrative expenses	–34	–
Other operating income	597	–
Other operating expenses	–15	–74
<b>Total</b>	<b>510</b>	<b>–74</b>

## Alternative Performance Measures

**Reconciliation of net debt / EBITDA ratio**

Net debt refers to the sum of interest-bearing liabilities less total cash and interest-bearing assets. As from 1 January 2019 the net debt also includes lease liabilities net of sublease receivables and dividend payable. Net debt is used by Group management to track the indebtedness of the Group and to analyse the leverage and refinancing needs of the Group. The net debt to

EBITDA ratio provides a KPI for net debt in relation to cash profits generated by the business, i.e. an indication of a business's ability to pay off all its debts. This measure is commonly used by financial institutions to rate credit worthiness. A negative figure indicates that the Group has a net cash position (cash in excess of interest bearing liabilities).

Group (SEK million)	2022	2021
Short-term borrowings	650	800
Long-term borrowings	3,250	2,500
<b>Total financial borrowings</b>	<b>3,900</b>	<b>3,300</b>
Cash and cash equivalents	2,775	5,702
Interest bearing receivables	20	20
<b>Financial net debt</b>	<b>1,105</b>	<b>-2,422</b>
Lease liabilities	513	522
Sublease receivables	136	158
<b>Total lease liabilities net</b>	<b>377</b>	<b>364</b>
<b>Net debt</b>	<b>1,482</b>	<b>-2,059</b>

**Net debt / EBITDA before IAC**

Group (SEK million)	2022	2021
Operating income before IAC, continuing operations	-97	647
Operating income before IAC, discontinued operations	-	8
Depreciation, amortisation and write-downs, continuing operations <sup>1</sup>	270	296
Depreciation, amortisation and write-downs, discontinued operations <sup>1</sup>	-	30
<b>EBITDA before IAC</b>	<b>173</b>	<b>980</b>
Net debt	1,482	-2,059
<b>Total net debt / EBITDA before IAC</b>	<b>8.6</b>	<b>-2.1</b>

1) Refers to non-current assets only

**Reconciliation of Return on Capital Employed (ROCE)**

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level for which

operations are responsible and comprise results before interest and tax. Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing. Capital employed thus equals the sum of equity and net debt.

Group (SEK million)	2022	2021
Inventories	5,206	3,543
Accounts receivable	1,218	847
Prepaid expenses and accrued income	7,588	4,990
Other current assets	537	350
Other current liabilities	-8,229	-6,772
<b>Total working capital</b>	<b>6,320</b>	<b>2,958</b>
Intangibles assets	2,437	1,981
Machinery, equipment and installations	174	163
Right-of-use assets	335	321
Shares and participations	1,363	1,328
Other long-term receivables	74	124
Provisions	-198	-372
Other non-current liabilities	-112	-238
<b>Other items included in the capital employed</b>	<b>4,073</b>	<b>3,306</b>
<b>Capital employed</b>	<b>10,393</b>	<b>6,264</b>
Operating income before IAC, continuing operations	-97	647
Operating income before IAC, discontinued operations	-	8
<b>Operating income before IAC, total</b>	<b>-97</b>	<b>655</b>
Average Capital Employed (5 quarters)	8,389	6,597
<b>ROCE %</b>	<b>-1.2</b>	<b>9.9</b>

## Alternative Performance Measures

**Adjusted net income from continuing operations**

Adjusted net income and earnings per share are the Group's net income and EPS from continuing operations when excluding items affecting comparability and the amortisation of acquisition-related intangible

assets, net of tax, for both Viaplay Group and its 50% share in the earnings of Allente. These performance measures provide a relevant metric to better understand the Group's underlying results and development.

Group (SEK million)	2022	2021
Net income, continuing operations	323	365
Adjustment items	-253	499
<b>Adjusted net income from continuing operations</b>	<b>70</b>	<b>864</b>
Basic average number of shares outstanding	78,137,402	76,731,753
<b>Adjusted earnings per share from continuing operations (SEK)</b>	<b>0.90</b>	<b>11.26</b>
<b>Adjustment items</b>		
<b>Viaplay Group</b>		
IAC	510	-74
Tax effect on IAC	-99	-
Amortisations of surplus value (PPA)	-4	-8
Tax effect on amortisations of surplus value (PPA)	1	2
<b>Allente</b>		
IAC	-11	-368
Tax effect on IAC	2	80
Amortisations of surplus value (PPA)	-184	-167
Tax effect on amortisations of surplus value (PPA)	38	36
<b>Total adjustments</b>	<b>253</b>	<b>-499</b>



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# Sustainability report



Sustainability report

# Our approach to Sustainability

Viaplay Group is a value-driven company which strives to positively influence society and minimise the impact of its business on the environment. The Group operates in a fast-paced and rapidly changing industry which creates both challenges and opportunities for our business related to sustainability. We are committed to the UN Global Compact's principles of responsible business and the Women's empowerment principles and use these principles along with other international frameworks on sustainability, environment, and human rights to guide our work and help us future-proof our business.

We have taken a long-term holistic approach to integrate sustainability throughout our core business and entire value chain, and work to engage with our suppliers and collaborate with our industry partners for greater impact. In 2022, Viaplay Group launched its updated sustainability strategy based on a thorough stakeholder dialogue and materiality analysis. The strategy roadmap consists of 15 five-years goals across three focus areas: climate change and the environment; diversity and inclusion; and well-being and ethics. These goals are aligned with 8 of the UN's 17 Sustainable Development

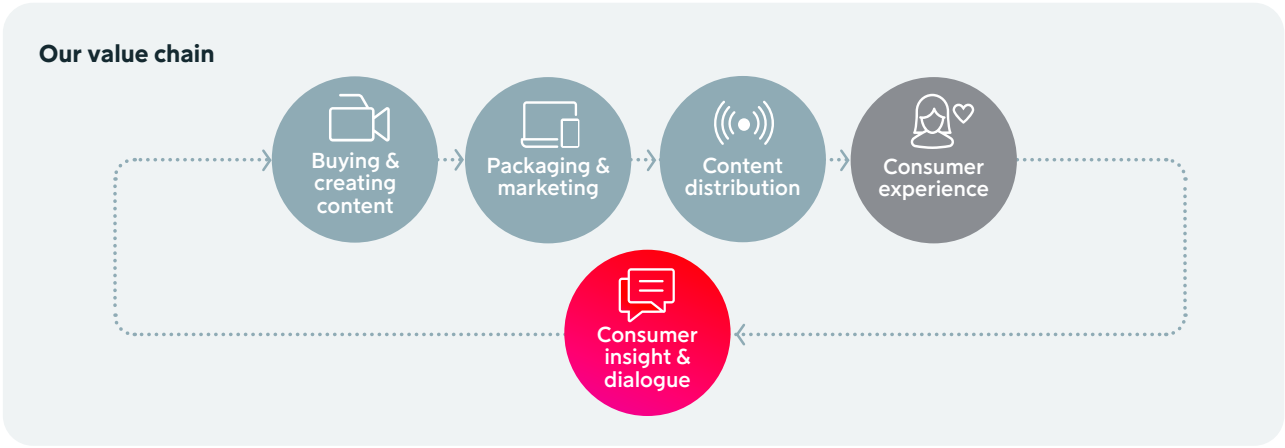
Goals (SDGs). Viaplay Group has additionally set science-based emission reduction targets for our operations, including a supplier engagement target.

### Sustainability governance

Viaplay Group's sustainability strategy is a central part of the company's business and governance. The strategy is integrated with the Group's purpose, values, overall business strategy, and culture, and is supported by its own policy framework, targets, roadmap and KPIs. All strategic business decisions consider sustainability

issues. Responsibility for the overarching sustainability strategy, goals, actions and follow-up rests with the Board of Directors. The Board monitors the work through regular updates, which also include discussion about sustainability trends, risks, and developments. The board delegates responsibility for managing sustainability topics to the Chief People & Sustainability Officer and Head of Sustainability, who coordinate with all other business functions to ensure operational responsibility for implementing and meeting specific goals and targets of the sustainability strategy roadmap

relevant to their work. Cross-functional working groups have been established to drive improvement across the Group within several sustainability areas. See reporting in the Governance section of this report for more information on the Board of Directors. Each year, Viaplay Group discloses its sustainability performance in its group-wide integrated Annual and Sustainability Report as part of the annual reporting cycle. The sustainability report is reviewed and approved by the Board of Directors, and externally verified by independent auditor KPMG.



Sustainability report

Policies and practices

Viaplay Group implements policies aligned with the goals of authoritative intergovernmental instruments on human rights, the environment, and other topics in its efforts to fulfil its commitments to responsible business conduct. These include the UN International Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption. The Group also abides by the principles of United Nations Global Compact’s, and the Women’s empowerment principles. The Group conducts due diligence in relation to these commitments in various capacities; see reporting on Responsible Supply Chain Management and Human Rights for more information on Viaplay’s due diligence efforts and work with human rights.

For each material topic reported on in the following sections, you will find a list of relevant policies which includes hyperlinks to those that are publicly available on the Corporate Governance section of the Viaplay Group website. Each policy document states at what level within the organisation they have been approved and who within the organisation is responsible for communicating and enforcing a given policy within the business and across the supply chain. The sections detail how work is conducted related to a given material topic and how the Group operationalises relevant policy commitments across its business operations.

Viaplay Group is a member of:

**Responsible Media Form** – Member  
Partnership between leading global media companies, collaborating on both social and environmental challenges facing the sector.

**Nordic Content Protection** – Board Member  
Cross-industry Nordic body addressing piracy through intelligence sharing with enforcement agencies.

**European VOD Coalition** – Board Member  
The EU VOD is a company led coalition. It brings together video-on-demand (VOD) and digital entertainment companies that share common values and invest in as well as distribute audiovisual content in Europe as their core commercial activities.

**Reklamombudsmannen** – Member  
A self-regulatory organisation, handling complaints about advertising and provides information, guidance and training in the field of ethical marketing.

**United Nations Global Compact** – Signatory  
A global initiative based on CEOs’ commitments to implement universal sustainability principles and to support UN goals.

**The Audio-visual Anti-Piracy Alliance** – Member  
European organisation addressing media piracy issues.

**DIMPACT** – Member  
DIMPACT is a collaborative project comprised of academics from the University of Bristol and 18 media and technology companies aiming to measure and reduce emissions across the entire value chain of digital media content

**Swedish Media Ombudsman** – Member  
The Swedish Media Ombudsman provides Swedish nationals with a complaint mechanism in the event they have been unfairly treated in a programme.

**Mediamätning i Skandinavien** – Board member  
An organisation which measures, and also develops methods for measuring consumption of moving images in Sweden, of which we are an owner along with other media houses.

**Commercial Broadcasters Association** – Member  
Industry body for UK-based multichannel broadcasters in the digital, cable and satellite television sector, and their ondemand services.

**Norsk Presseforbund** – Board Member  
Joint body for Norwegian mass media that aims to promote ethical standards and professional integrity, and to strengthen and protect freedom of speech, media and information.

**Interactive Advertising Bureau** – Member  
Aiming to optimise online marketing in Sweden. Works through specialised task forces that define various standards and guidelines.

**Association of Commercial Television in Europe** – Board member  
Represents the interests of leading commercial broadcasters in Europe. Engages with EU institutions to achieve appropriate regulatory frameworks that encourages investment and growth in the media sector.

**European Group of Television Advertising** – Member  
Aims to support television and radio sales houses in monetising audio and audio-visual content through advertising solutions, regardless of device or platform.

**FreeWheel Council for Premium Video Europe** – Member  
Serves the collective interest of those in the premium video industry through leadership positions, research, and advocacy promoting the premium video economy.

Sustainability report

Membership in associations

We are a member of global partnerships, various media industry associations, national and international organisations, advocacy groups and additional bodies. These memberships are focused on advancing the 2030 Agenda for Sustainable Development; engaging with EU institutions to achieve a balanced and appropriate framework that encourages investments in the media sector; advancing the use of digital and new technologies that enable transformation; promoting ethical standards and professional integrity; strengthening freedom of speech; responsible advertising; collaboration on sustainability issues in the media sector; and promoting effective anti-piracy legislation. See the graphic on previous page for more information.

Sustainability partnerships & corporate giving

We aim to raise awareness and create positive change in society through partnerships. We are particularly focused on creating a more equal, diverse, and inclusive society through our partnership programme.

In 2022, Viaplay Group mobilised to help those in need in connection to the invasion of Ukraine. Efforts included internal fundraising in partnership with Save the Children and the Red Cross, where our employees’ donation were matched by the Company. Additionally, Group radio stations in Sweden ran a fundraiser on the airwaves through their shared fundraising platform Listeners Aid. Our fundraising efforts from our people and audiences raised over SEK 950,000 for relief efforts. In addition, Viaplay Group promoted charities on all its platforms in all markets; its streaming platform, radio and our linear channels, and PayTV channels, as well as

donated airtime to organisations fundraising for relief efforts.

Viaplay Group platforms are used to create change by donating airtime to organisations with an important cause, giving them the possibility to reach a larger audience with their important messages. In total in 2022, we donated airtime worth over SEK 1.5 million to organisations like The Swedish Red Cross, UNICEF, UNHCR, Save the Children, Operation Smile, Barncancerfonden (Swedish Childhood Cancer Fund) and Min Stora Dag (My Special Day).

Charitable donations and volunteering

SEK thousands	2022	2021
Donated media time	1,761	3,401
Product and services	446	0
Cash donations	3,969	2,628
Total donations	6,176	6,029
Raised funds for charity	367	0
Total corporate giving	6,543	6,029

Hours	2022	2021
Volunteer hours	120	92

Viaplay Group partners with:

BEAT Diabetes

Viaplay Group organised three Diabetes Galas on World Diabetes Day between 2017–2019, in collaboration with the Swedish Diabetes Association. The events raised over SEK 20 million for research into type I and type II diabetes. In 2020, we initiated the pan-Nordic BEAT Diabetes Foundation. It is an independent entity in which we will invest SEK 2.5 million every year from 2020 to 2024 to raise awareness and drive positive change within three areas: health tech, healthy lifestyle and well-being, and inclusion and awareness. BEAT Diabetes and Viaplay Group produces the Scandinavian programme ‘BEAT Diabetes – The Fight for life’ (Kampen för livet), which aims to increase awareness about diabetes and eliminate stigma in society. The programme occurred on World Diabetes Day, the 14th of November in 2021 and in 2022.



Childhood trust

In the UK, Viaplay Group has helped The Childhood Trust, which funds grassroots charities to alleviate the impact of child poverty in London, by filming and editing two campaigns for the organisation and through donating over SEK 125,000 to them.



Women in Tech

In Sweden, Viaplay Group is a founding partner of Women in Tech – an annual event that aims to promote equality and to inspire talented women to pursue careers in technology.



RedLocker

In 2021, Viaplay Group established a partnership with RedLocker and is providing free menstrual care products at our offices in Stockholm, Norway, Denmark, Finland and the UK.





Sustainability report

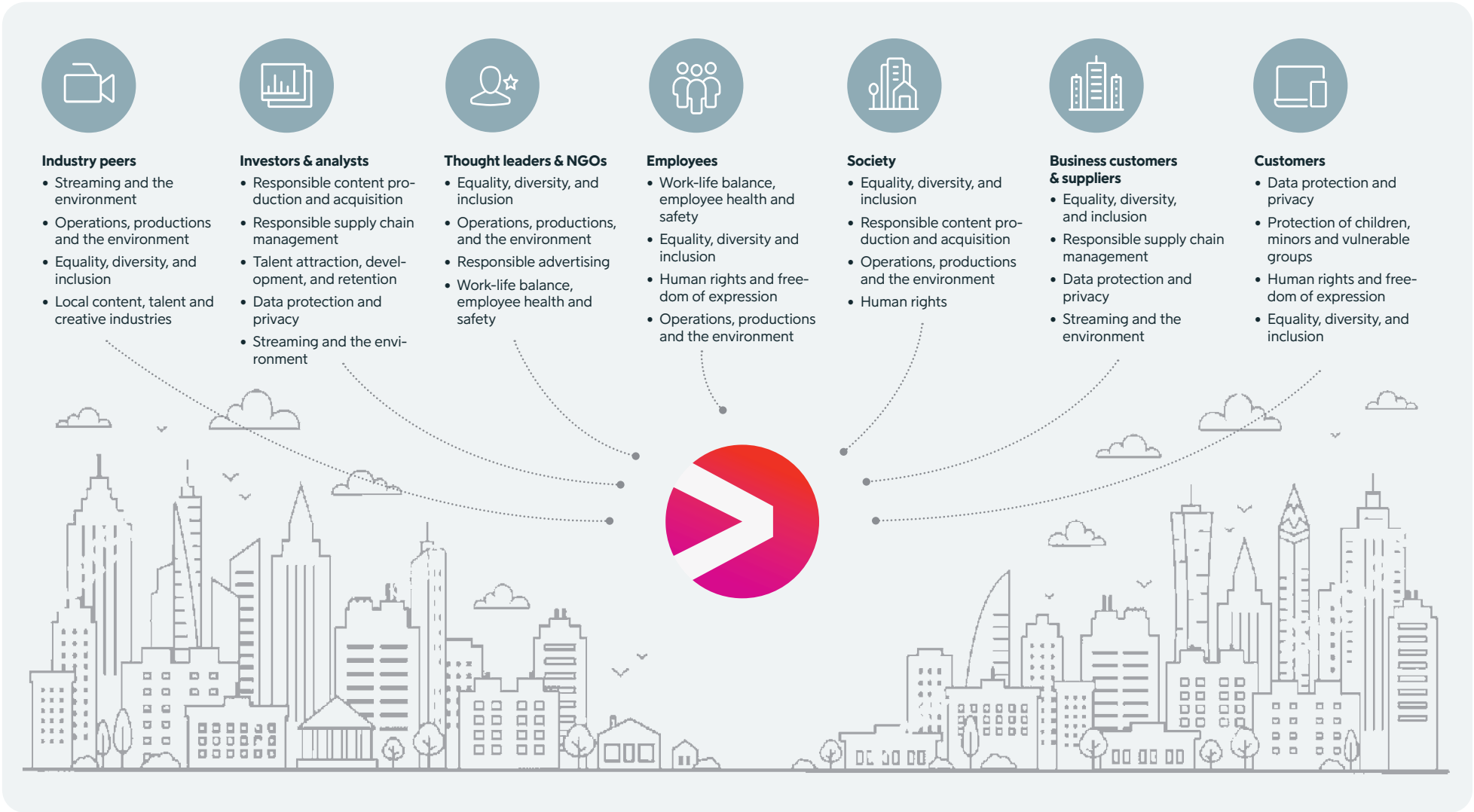
Stakeholder engagement

Open and continuous dialogue with key stakeholders is vital to proactively and effectively identifying concerns, as well as tracking global trends and market expectations. Viaplay Group understands its stakeholders to be all entities or individuals that can reasonably be expected to be affected by it and its activities, products, or services; and/or entities or individuals whose actions can reasonably be expected to affect it. Using this logic, the company groups stakeholders into three categories: primary internal, primary external, and secondary external stakeholders; and considers the interests and concerns of these groups when defining its strategies and articulating its goals.

Viaplay Group regularly engages with its stakeholders through both structured and ad-hoc interaction, as well as through feedback channels including surveys on topics such as customer and employee satisfaction, social media platforms, and focus groups. The company also obtains information through official grievance channels. In addition to the stakeholder groups listed here, Viaplay Group also engages with Unions representing the 3% of our workforce which were covered by collective bargaining agreements in 2022.

Materiality

Viaplay Group periodically conducts materiality assessments in order to have a robust foundation for its sustainability efforts. These assessments are informed by interviews with all internal and external stakeholder groups and the screening of global sustainability trends as well as impacts commonly associated with and relevant to the streaming and entertainment sector.

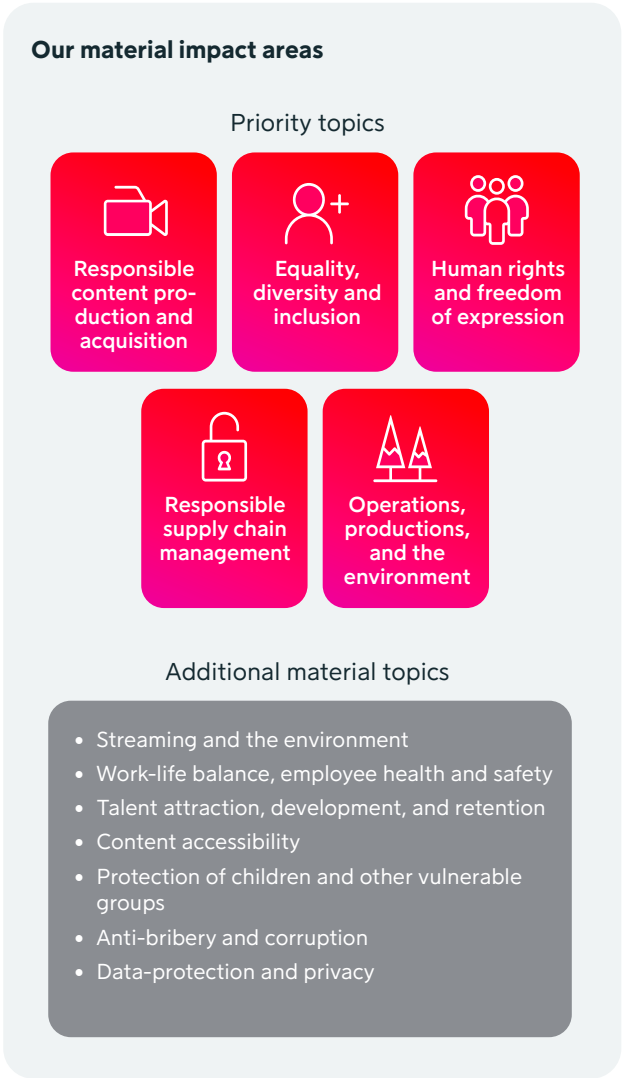


Sustainability report

The most recent materiality assessment conducted in 2021 found 18 topics to be material to Viaplay Group's work with sustainability issues and formed the basis of Viaplay Group's strategy and three focus areas.

Viaplay Group's impacts are reported on in both the strategy and the sustainability section of this report. Viaplay group utilises the concept of dual materiality in the materiality assessment process used to develop and regularly refine its sustainability strategy. A ranked prioritisation of material topics incorporating both the significance of impacts related to a given material topic and the importance of an identified material topic to stakeholders, was used to identify priority focus areas for the company's sustainability strategy.



For reporting purposes, the Viaplay Group has prioritised reporting on material topics based upon significance of their impact only. In both instances the significance of the impacts of material topics were assessed based upon their actual and potential impact upon the economy, environment, and people. Viaplay's prioritisation of material topics impact considered the severity of negative impacts based upon factors including the scale, scope and permeance of actual impacts and the likelihood of potential impacts. Severity of potential negative impacts related to human rights were given precedence over their likelihood. Additionally, positive impacts were included in the ranking based upon the same criteria for actual and potential impact. Out of the 18 material topics identified in the last materiality assessment, 5 priority topics were identified as having the highest impact and Viaplay Group reports on 7 additional topics with high significance and relevance to stakeholders.



# Sustainability roadmap

Viaplay’s sustainability reporting follows the Group’s sustainability strategy which is split into three strategic focus area. All long-term goals and annual targets can be found in this strategy roadmap. In the following chapters, reporting on the management of material topics is addressed through a common four-tier framework under the headings: Opportunities and challenges, Progress, How we work and Our Policies.

-  **Opportunities and challenges:** These sections examine external factors and global trends currently affecting the topics, as well as the context for Viaplay Groups work with them. Note that corporate risk management can be found in the Risk & Risk Management part of the annual report.
-  **Progress:** These sections report on Viaplay Groups performance during the reporting year.

-  **How we work:** These sections describe the processes, procedures and systems Viaplay Group uses to achieve the Group’s strategies and policies.
-  **Our Policies:** These sections set out the strategies, initiatives, and policies used to address key opportunities and challenges.

## Taking climate & environmental action

Material topic	Long-term goals	KPI	2022 targets	2022 progress comment	Annual target for 2023
Operations, productions and the environment	Reduce GHG emissions in absolute scope 1 (fuel use), scope 2 (energy) & scope 3.6 (business travel) by 46,2% by end of 2030 from a 2019 base year (SBT).	% reduction of CO <sub>2</sub> emissions from 2019 baseline	Reduce direct emissions from vehicles and facilities (scope 1) and purchased energy (scope 2) by 12.6% from 2019 levels by end of 2022.	● <b>Achieved</b> , reduced Scope 1 & 2 emissions by 64.9% in 2022 (10 of 42 offices transitioned to renewable energy).	Reduce direct emissions from vehicles and facilities (scope 1) and purchased energy (scope 2) by 16.8% from 2019 levels by end of 2023. <b>Note:</b> Current target already achieved. Long-term goal for scope 1 & 2 to be re-evaluated in 2023.
			Reduce emissions from business travel (scope 3.6) by 12.6% from 2019 levels by end of 2022.	● <b>Not achieved</b> , reduced business travel emissions by 12.3%.	Reduce emissions from business travel (scope 3.6) by 16.8% from 2019 levels by end of 2023. Emit no more than 4 290 tCO <sub>2</sub> eq from these sources)
	Develop and implement Viaplay’s ‘Sustainable production guide’, including ‘People & planet storytelling test’ in all Viaplay’s produced content (incl. sports productions) by end of 2026	% of Viaplay produced content using ‘Sustainable production guide’	Create sustainable production toolkit & training to be implemented in 30% of all Viaplay’s productions content (100+) and key sports productions by end of 2022. Develop ‘Viaplay Planet storytelling test’ and pilot two (scripted) productions in 2022.	● <b>Achieved</b> , piloted in one scripted and one non-scripted production, extended scope of program.	Launch Viaplay’s Sustainable production guide & Storytelling test and initially implement in 10% of Viaplay’s produced productions (70+). Develop Sustainable production guide version for Viaplay’s Sports productions by end of 2023.
	71% of our suppliers by emissions covering purchased goods and services will have science-based targets by end of 2026 (SBT).	% of suppliers by emissions engaged in setting science-based targets	Establish a plan to engage with productions and a programme to measure, monitor, and reduce emissions, starting with 5% of Viaplay produced content (100+) and one large sports host broadcast in 2022.	● <b>Partially achieved</b> , programme established and 5% productions measured. Although no sports production.	Engage with suppliers responsible for 80% of scope 3 emissions covering purchased goods and services without science-based targets (50 suppliers). Engage 10% of suppliers that produces Viaplay content (70+) and 5% of sports productions (70+) in measuring, reducing, and reporting carbon emissions.
Streaming and the environment	Continue industry-wide collaboration to engage with partners and suppliers for more energy efficient products/solutions in our streaming value chain.		Engage with all the main manufacturers of end-user devices to improve energy efficacy through industry-wide collaboration in 2022.	● <b>Achieved</b>	75% of all content to be streamed via energy efficient hyperscale cloud platform by the end of 2023.

● Achieved ● Partially achieved ● Not achieved

## Sustainability report

## Advancing diversity &amp; inclusion

Material topic	Long-term goals	KPI	2022 targets	2022 progress comment	Annual target for 2023
<b>Employee well-being</b>	Employee perception of well-being index score of 83 (79, 2021) in employee engagement survey by end of 2026.	Well-being index score (EES)	Continue to implement hybrid working model and trainings in time management & self-leadership for all employees to increase employee well-being perception to 81 (79, 2021) by end of 2022.	● <b>Achieved</b> , (81, 2022).	Employee perception of well-being index score of 82 (79, 2021) in employee engagement survey by end of 2023.
<b>Talent attraction, development and retention</b>	Reaching 75% of all employees' participating in voluntary skill development initiatives by end of 2026.	% of employees participating in voluntary skill development	Reaching 50% of employees participating in voluntary learning & development initiatives (i.e. e-learning, peer-to-peer knowledge sharing, trainer led courses & workshops).	● <b>Not achieved</b> , 49% of employees participated.	Reaching 55% of employees participating in voluntary learning & development initiatives in 2023.
<b>Equality, diversity, and inclusion</b>	Reach 50/50 gender balance in total workforce by 2026 (baseline 44F/56M%, 2021).	F/M% in the workforce	Increase female talents within Sports and PD&T, and debias Viaplay's recruitment process to reach 45F/55M% gender balance in total workforce by end of 2022 (baseline 44F/56M%, 2021).	● <b>Not achieved</b> , (44F/56M%, 2022) due to acquisition and expansion in areas with less gender balance.	Increase female talents and debias Viaplay's recruitment process to reach 45/55M% gender balance in total workforce by end of 2023 (baseline 44F/56M%, 2021).
	Improve inclusion within Viaplay Group through awareness, accessibility & allyship, increasing employees' perceived inclusion to 86 (82, 2021) in employee survey by end of 2026.	Inclusion index score (EES)	Conduct inclusive recruitment training targeting key functions (Sports and PD&T); and rollout inclusion & bias training for all employees to increase perceived inclusion from 82 to 83 in employee survey in 2022.	● <b>Partially achieved</b> , no trainings launched.	Conduct trainings for all employees and targeted trainings for key personnel, to increase perceived inclusion from 83 to 84 in employee engagement survey by the end of 2023.
	Reach and maintain a 50/50% gender balance in the creative value chain in all Viaplay's Nordic scripted and non-scripted productions by end of 2026 (baseline 47F/53M%, 2021).	f/m% in Nordic creative value chain	Reach 48F/52M % gender balance in the creative value chain in all Viaplay's Nordic scripted and non-scripted productions by end of 2022 (baseline 47F/53M%, 2021).	● <b>Achieved</b> , (51F/49M%, 2022).	Maintain a 50F/50M % gender balance in the creative value chain in all Viaplay's Nordic scripted and non-scripted productions by end of 2022 (baseline 47F/53M%, 2021). Establish a baseline for all (European) scripted and non-scripted productions by the end of 2023.
			Establish a baseline in the sports creative value chain and set a long-term gender balance goal for all of Viaplay's sports productions in 2022.	● <b>Partially achieved</b> , baseline in front of the camera set.	Establish a baseline for sports value chain, behind the camera, by the end of 2023.
<b>Content accessibility</b>	Making at least 25 Viaplay original productions available on Viaplay with full accessibility (i.e. subtitles, audio description, sign language and spoken text) by end of 2026.	# of Viaplay original productions available with full accessibility	Making the top 5 Viaplay original productions available on Viaplay with full accessibility (i.e. subtitles, audio description, sign language and spoken text) in 2022.	● <b>Not achieved</b> , upgrades to platform undertaken to enable full accessibility.	Making the top 10 Viaplay original productions available on Viaplay with full accessibility (i.e. subtitles, audio description, sign language and spoken text) in 2023.

● Achieved ● Partially achieved ● Not achieved



## Sustainability report

## Promoting well-being &amp; ethics

Material topic	Long-term goals	KPI	2022 targets	2022 progress comment	Annual target for 2023
<b>Responsible content production and acquisition</b>	Ensure 75% of all Viaplay financed content productions emphasise climate, environment or diverse storytelling related to underrepresented groups by end of 2026.	% of Viaplay financed content productions	Develop diversity storytelling test' piloting two productions and invest in 3-5 productions emphasising diverse storytelling related to underrepresented groups (i.e. gender, cultural context, languages, religion) in 2022.	● <b>Achieved</b>	Ensure 50% of all Viaplay financed content productions emphasise climate, environment or/and diverse storytelling related to underrepresented groups by end of 2023.
	Ensure ethical behaviour, human rights and well-being in all productions by strengthened processes, trainings and audit programme.	% of Viaplay productions screened and audited	Ongoing sustainability screening of all scripted and unscripted productions (100+) plus sports productions and onsite audits conducted of at least 4 key productions in 2022.	● <b>Achieved</b>	Conduct sustainability screening of all Viaplay scripted and unscripted productions (70+) plus sports productions, advanced work environment screening of 20% of productions, and onsite audits of at least 3 key productions by end of 2023.
			Roll-out new 'Rulebook on work environment' to all content productions and send pulse-survey to at least 70% of all productions (100+) measuring work life balance, health & safety in the workplace in 2022.	● <b>Partially achieved</b> , new version in Q4 and piloted pulse-survey sent to 7 productions in 2022.	N/A
			Roll-out new Code of Conduct training for productions including updated 'whistle-blower' procedures to targeted people starting with 30% of productions (100+) in 2022.	● <b>Partially achieved</b> , external whistler-blower procedure implemented, CoC training not done.	N/A
<b>Content compliance and the protection of children</b>	See long-term goal above.		Include new child welfare & participant guidelines as part of annual content compliance training for all Executive Producers and Contestant Managers in 2022.	● <b>Achieved</b>	N/A
<b>Business ethics and responsible supply chain management</b>	Strengthened ethics and compliance knowledge across the business by implementing Viaplay Group's business ethics programme by end of 2026.		Launch new Code of Conduct (CoC), Supplier Code of Conduct and eLearning programmes in 2022.	● <b>Partially achieved</b> , new CoC launched, e-learning programme will be rolled out in 2023.	Rollout and implement mandatory CoC e-learning programme to all employees by 2023.
<b>Human rights</b>	Ensure ethical behaviour and respect for human rights through strengthened ESG due diligence process and screenings for all suppliers and partners by end of 2026.		Strengthened ESG due diligence process for major M&A, JVs and strategic partnerships in 2022.	● <b>Achieved</b>	Strengthened human rights due diligence process, including children's rights across the business by end of 2023.
			Screen & engage with all critical suppliers by the end of 2022.	● <b>Partially achieved</b> , risk assessment screening not done.	Continued screening and improved engagement process for new and high-risk suppliers and partners.
<b>Data protection and Privacy</b>	Establish Privacy portal on Viaplay, enabling all customers to access their personal data and manage their personal data preferences in real time by end of 2026.		Review current processes for customers exercising their rights, and implement extended trainings for customer service representatives.	● <b>Achieved</b>	Automate processes for customers exercising their privacy rights.

**Note:** Goal relating to engaging suppliers in setting science-based-targets has been rephrased to align with SBTi guidance on engagement related targets under SBTi standard 4.0. Goal relating to employee training has been rephrased for brevity. Goal relating to investing in content with sustainability topics emphasis has been restated with a KPI of % of Viaplay financed content productions to reflect our long-term commitment by denoting percentage of the entire content portfolio cumulatively.

● Achieved ● Partially achieved ● Not achieved

Taking climate & environmental action

# Operations, productions, and the environment

Reducing environmental footprint and increasing use of sustainable materials, increasing energy efficiency, and sustainable office management.



Opportunities and challenges

Taking climate action on and off the screen

Climate change and ecological degradation have been identified as two of the greatest challenges humanity faces this century. Viaplay Group strives to promote sustainability on screen and off screen; highlight issues, reflect societal changes, and inspire our audiences with content that encourages positive action for both climate and the environment.

Climate and environmental action are an important focus areas of our sustainability strategy. Our decarbonisation journey is an opportunity to optimise operations while reducing environmental impact. We are working to increase renewable energy, energy efficiency and reduce waste across our operations. Producing and commissioning content generates the bulk of Greenhouse Gas (GHG) emissions associated with Viaplay Group's value chain, due to the extensive logistics involved in creating and delivering high quality content. We see this as an opportunity to not only gain greater insight into production practices fit for the future but to share them with industry partners and work together to reduce our environmental impact while creating authentic, relatable content that reflects the changing world we live in.

Viaplay Group applies the precautionary principle when assessing the environmental impact of our business, which means that whenever we lack of complete scientific knowledge but suspect that a decision might have a negative environmental impact, we refrain from making such a decision. The Group also collaborates with industry associations to develop standardised methods to measure the climate impact of streaming and reports on alignment with the EU Taxonomy as well according to TCFD recommendations on climate-related financial risks.



Progress

Rapid decarbonisation of business operations

In 2022, Viaplay Group made significant progress towards its long-term climate goals. The Group reduced emissions from fuel use and purchased energy (Scope 1 & 2) by 64.9%, compared to 2019 levels, primarily by switching purchased electricity contracts to renewable energy. On top of this, the Group upgraded systems and processes in its facilities, beginning with retiring energy intensive onsite servers and migrating to more efficient hyperscale cloud services. This change led onsite-server energy use to be cut by 50% in 2022, and the Group now aims to cut this a further 33% in 2023.

Having achieved the Group's long-term target for Scope 1 & 2 emission reductions in 2022, in 2023 we will continue to increase renewable energy supply, switch more electricity contracts to a certified renewable energy supply and improve energy efficiency in our facilities. In 2022, the Group fell short of its annual emission reduction target for business travel, reaching a 12.3% reduction, compared to the targeted 12.6%. In 2023, the Group aims to reduce travel emissions by 16.8% from the 2019 baseline.

Viaplay Group proudly supports



In brief

2026 Goals:

- Reduce GHG emissions in absolute scope 1 (direct), scope 2 (purchased energy) & scope 3.6 (business travel) by 46.2% by end of 2030 from 2019 levels.
- 71% of our suppliers by emissions covering purchased goods and services will have science-based targets by end of 2026.

Business priority:

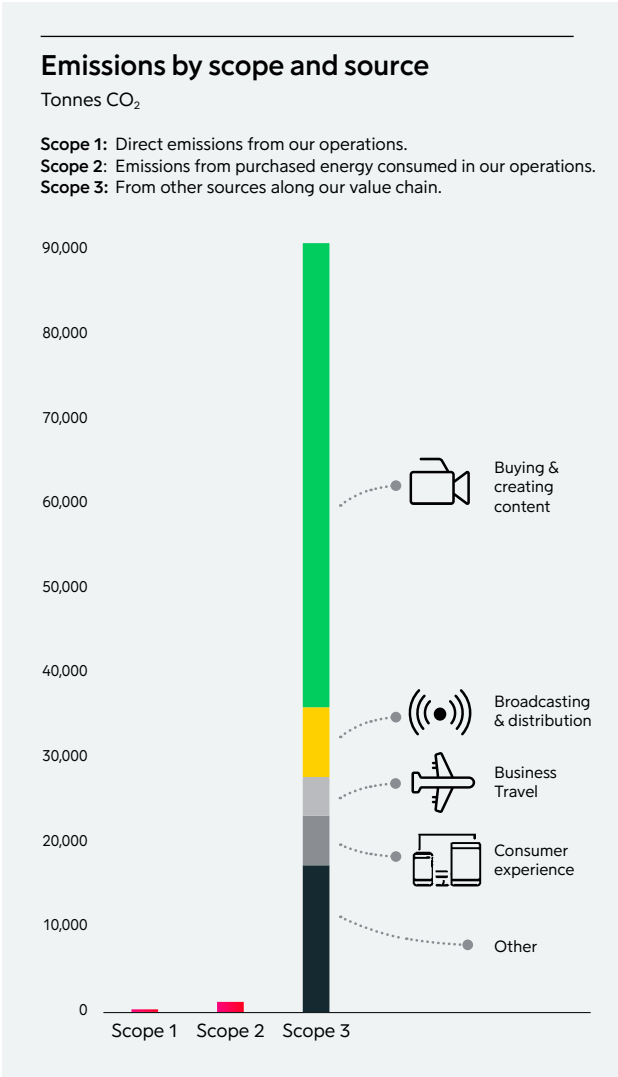
- Empowering our people
- Partnering for growth

2022 targets

- Reduce direct emissions from vehicles and facilities (scope 1) and purchased energy (scope 2) by 12.6% by the end of 2022.
- Reduce emissions from business travel (scope 3.6) by 12.6%.
- Establish a plan to engage with productions and a programme to measure, monitor, and reduce emissions, starting with 5% of Viaplay produced content (100+) and one large sports host broadcast in 2022.

● Achieved   ● Partially achieved   ● Not achieved

Taking climate & environmental action



How we work

Reducing emissions in our organisation and value chain

Viaplay Group monitors, measures, works to reduce, and reports annually on our carbon footprint in accordance with the international standard GHG Protocol. At the end of 2022, the Science Based Targets initiative (SBTi) validated Viaplay Group's near-term science based GHG reduction targets. In conjunction with the SBTi commitment, Viaplay Group has been committed to the Business Ambition for 1.5°C Campaign and the UN's Race to Zero initiative since 2020. This means that the Group is committed to reducing GHG emissions across our business and supply chain over the coming years at levels in line with the goals of the Paris Agreement.

Reducing business travel emissions

In 2021 Viaplay Group identified business travel as the largest source of GHG emissions directly linked to its operations and decided to set a target dedicated to reducing these emissions. In 2022, the Group established a new sustainable travel programme, in which data enabling the tracking of GHG emissions from business travel is collected from across the organisation and reported back to each function. This new system is integrated with budgeting, so all functions can plan future travel with this climate target in mind.

As part of our commitment to cutting carbon emissions, we have updated our Group Travel Directive in connection with our sustainable travel programme to support our business travel emissions reduction efforts. We encourage our employees to adopt more climate

Emissions (GRI 305-1,2,3)

	Annual emissions 2022	Past year 2021	Base year 2019
Carbon emissions (tCO <sub>2</sub> -eq)			
Direct emissions (Scope 1)			
Mobile combustion (vehicles)	49	35 <sup>1</sup>	116 <sup>1</sup>
Stationary combustion (facilities)	47	17 <sup>1</sup>	45 <sup>1</sup>
Total	97	52 <sup>1</sup>	161 <sup>1</sup>
Energy indirect (Scope 2)			
Heating	203	157	247 <sup>1</sup>
Electricity (market-based)	445	1,407	1,713 <sup>1</sup>
Electricity (location-based) <sup>2</sup>	697	804	974 <sup>1</sup>
Total (market-based)	648	1,564	1,960 <sup>1</sup>
Other indirect (Scope 3)			
Upstream			
3.1 Purchased goods and services	78,549	78,543	61,153 <sup>1</sup>
3.2 Capital goods	469	435	105 <sup>1</sup>
3.3 Fuel- and energy-related activities	255	298	947 <sup>1</sup>
3.4 Upstream transportation and distribution	160	155	82 <sup>1</sup>
3.5 Waste generated in operations	3	10	11 <sup>1</sup>
3.6 Business travel	4,596	1,634 <sup>1</sup>	5,239 <sup>1</sup>
3.7 Employee commuting	1,863	1,269	1,500 <sup>1</sup>
Downstream			
3.11 Use of sold products	5,934	3,536	4,894 <sup>1</sup>
3.15 Investments	126	145	171 <sup>1</sup>
Total	91,954	86,025	74,102 <sup>1</sup>
Total emissions	92,699	87,641 <sup>1</sup>	76,223 <sup>1</sup>

1) Figures have been recalculated in 2022. See section on Calculating greenhouse gas emissions p 111 for more info.  
2) Electricity (location-based) emissions are reported in accordance with GRI and GHG Protocol guidelines.  
Market-based emissions are used for total Scope 2 figures.

Taking climate & environmental action

smart travel practices, by travelling less and opting for more sustainable modes of travel.

Calculating greenhouse gas emissions

Viaplay Group has reported on its carbon footprint since its inception, and continuously works to improve its understanding of the impact it has on the climate. We work to continuously improve our emissions inventory by increasing the resolution of data on the source of both direct and indirect GHG emissions. In doing so, insights are generated which enable targeted actions to minimise emissions. In 2022, as part of the SBTi validation, a comprehensive review of the 2019 baseline data encompassing all indirect upstream and downstream emissions was undertaken. As part of this process, previously unreported historical data from various sources were incorporated into the inventory, leading reported GHG emissions for 2019 and onwards to be restated in this year's reporting to establish an accurate and complete baseline aligned with SBTi requirements. Scope 2 emission calculations were also reviewed and recalculated using a market-based approach.

The Covid-19 pandemic heavily affected business operations with the closure of several offices and restrictions on international travel in effect from 2020 until the beginning of 2022. This led to 2019 being selected as a baseline year in accordance with SBTi requirements. A range of factors can affect our Scope 3 emissions, particularly those linked to purchased goods and services which is the source of most of the company's emissions; these vary from year to year depending on the spend with the most significant suppliers. Viaplay Group applies operational control approach, accounting

for all Scope 1, 2 and 3 emissions over which it or one of its subsidiaries has operational control. Viaplay Group also discloses downstream emissions from joint ventures and investments. Viaplay Group uses emission factors sourced from national government databases, academic studies, company reports, and regulatory disclosures which are regularly updated. Global Warming Potentials (GWP) are available in respective sources. GWP period of 100 years is used in accordance with the IPCC fifth assessment, and all six greenhouse gases are included in the calculation and are expressed in CO<sub>2</sub> -equivalents. Some of the figures relating to energy and waste are based upon estimations.

Scope 1: Vehicles and fuel use

When calculating these emissions the most recent conversion factors are used from the UK Department for Business, Energy, and Industrial Strategy (BEIS).

Scope 2: Purchased energy

Viaplay Group reports both market-based and location-based emissions in this category in accordance with GRI and GHG Protocol guidelines. The market-based approach uses the supplier-specific emission factor provided by the utility provider and includes renewable certificates if these were purchased or residual mixes where no supplier is disclosed. In cases where absolute data provided by utilities is associated with offices shared with other businesses, estimations based on square meters are used to estimate equivalent share of energy use. The location-based approach uses the average supplier-mix of the country. Emission factors used in these calculations were from the Association of Issuing Bodies (AIB).

Energy (GRI 302-1,4)

MWh	Reporting year 2022	Past year 2021	Base year 2019
Non-renewable	4,646	8,292	8,714 <sup>1</sup>
Renewable	5,520	691	1,156 <sup>1</sup>
Total energy consumption	10,166	8,983	9,870 <sup>1</sup>

**Note:** Data pertains to energy use in GHG emission Scope 1 & 2, or the Groups immediate business operations.

1) The base year has been recalculated and restated due to inclusion of previously missing data.



Taking climate & environmental action

Scope 3: Indirect emissions from value chain

A large share of these emissions are estimated based upon spend and transaction information, for example for calculating emissions from purchased content productions we use total spend figures per productions, and a custom emission factor based on average spend data from our own productions in the year 2020. For spend-based calculations EXIOBASE Multi-Regional Environmentally Extended Input Output Model is used to calculate Upstream emissions from transaction data. For activity data other scientific sources and emission factor databases are used, including UK DEFRA, Idemat, Quartz and EPDs. Scope 3.6 Business travel and Scope 3.7 Employee commuting emissions are calculated according to the well-to-wheel (WTW) methodology.

Scope 3.11: Use of sold products

Viaplay Group uses the DIMPACT Video Streaming Model to calculate emissions from the streaming value chain. DIMPACT is a collaborative project comprised of academic bodies and 18 media and technology companies.

Increasing energy efficiency

Viaplay Group aims to improve energy efficiency across the operations. We continuously review and evaluate the source of energy and how to reduce the consumption in all our facilities. In recent years, office lighting has been upgraded to efficient LED lighting in several facilities.

Waste

Viaplay Group works to minimise waste from our operations and promote reusing and recycling of all items and materials. For example, the Group adapted and refitted part of the Swedish headquarters to facilitate the hybrid way of working, as part of the refit, reused existing furniture, old furniture was repurposed, and the rest was recycled. The Group aims to minimise e-waste; and actively works to reuse electronics in our operations.

Sustainable productions

Viaplay productions generate most of Viaplay Group's indirect emissions, accounting for approximately 60% in 2022. This is why it is a key business priority to reduce emissions from our commissioned content. In 2022, Viaplay Group launched the Sustainable production programme, piloting the Viaplay sustainable production guide (SPG) in a select number of Viaplay scripted and non-scripted productions. The SPG provides a structured means of integrating sustainability into every stage of the productions process, from considering sustainability in storytelling at the idea stage to planning and executing low emission logistics in the actual production.



Our policies:

- [Sustainability Policy](#)
- [Travel Policy](#)

Waste (GRI 306-3,4,5)

Waste in metric tonnes	Reporting year 2022	Past year 2021
<strong>Waste generated</strong>		
Construction waste	0.0	1.1
Electronics	2.2	1.7
Glass	3.1	3.9
Lightbulbs	0.1	0.1
Metal	0.8	0.8
Mixed recycling	51.1	7.4
Mixed solid waste	10.5	11.1
Organic waste	12.3	3.8
Paper	23.1	27
Paper packaging	41	102.2
Plastic	4.6	5.6
Plastic (PET)	0.4	0.1
<strong>Total</strong>	<strong>149.2</strong>	<strong>164.8</strong>
<strong>Waste diverted from disposal</strong>		
Recycling	133.8	148.3
Composting	7.7	2.8
<strong>Total</strong>	<strong>141.5</strong>	<strong>151.1</strong>
<strong>Waste directed to disposal</strong>		
Incineration	7.8	9.2
Landfilling	0.0	2.61
Other	0.0	1.8
<strong>Total</strong>	<strong>7.8</strong>	<strong>13.6</strong>

**Note:** The waste data is indicative for the whole group, where we are unable to obtain absolute data, for example from shared facilities, we have extrapolated waste figures based on available absolute data to provide an estimation for the whole Group.

Taking climate & environmental action

# Streaming and the environment

Measuring and improving energy use and carbon emissions from devices, network infrastructure and data centres.



### Opportunities and challenges

#### Streaming in a changing world

Across the globe, digitalisation and internet use is increasing exponentially and in-turn streaming services are seeing increasing demand for their services. This uptick in streaming drives a large part of the global network-traffic which is leading internet service providers

(ISP) to improve their infrastructure to accommodate the need for increased capacity during times of peak traffic. Viaplay Group's streaming currently accounts for 6.4% of the climate impact in Viaplay's value chain. Viaplay Group and its partners work to optimise each part of the streaming value chain's energy demands and in doing so minimise streaming's impact on the environment– from onsite servers running constantly to the processing power required to meet the demand surges in streams at peak hours.



### Progress

#### Collaborating for more sustainable streaming

Viaplay Group is striving to make the streaming value chain more energy efficient, and less carbon intensive by working with partners to optimising processes and technology. In 2022, the Group collaborated with industry partners through DIMPACT and its working groups, to engage with manufacturers of end-user devices on improving energy efficiency via industry-wide collaboration. These efforts involved compiling interviews with different entities to identify where energy efficiency improvements can be made as well as what drivers might exist within the streaming ecosystem to ensure future improvements.

In 2022, 50% of all titles on the Viaplay platform were streamed via greener hypercloud streaming after 169 000 hours of content was encoded using energy-efficient cloud-encoding. The Group has set a target for 2023 to increase this to 75% of all titles to further reduce energy-use in its platform. To monitor and reduce the climate impact of streaming Viaplay measures CO<sub>2</sub> emissions per hour of streamed content. In 2022, the Viaplay average emissions per streamed hour increased, this can be accounted for by the increase in streaming hours coming from European markets outside of the Nordics which increased over the course of

#### In brief

##### 2026 Goal:

Continue industry-wide collaboration to engage with partners and suppliers for more energy efficient products/solutions in our streaming value chain.

##### Business priority:

Partnering for growth

KPI: N/A

##### 2022 Targets:

● Engage with all the main manufacturers of end-user devices to improve energy efficacy through industry-wide collaboration in 2022.

##### 2023 Targets:

75% of all content to be streamed via energy efficient hyperscale cloud platform by the end of 2023

● Achieved ● Partially achieved ● Not achieved

### Emission and energy intensity of Viaplay Group streaming value chain

These figures were produced using DIMPACT Video Streaming Model



#### On-site & cloud (share of total)

CO <sub>2</sub>	Energy
0.2%	12.4%



#### Distribution (share of total)

CO <sub>2</sub>	Energy
0.6%	1.2%



#### Networks (share of total)

CO <sub>2</sub>	Energy
22.5%	19.3%



#### Devices (share of total)

CO <sub>2</sub>	Energy
76.8%	67.0%

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the year. Emissions-per-streamed-hour increased due to the energy networks in the other European markets outside of the Nordics being more carbon intensive.



How we work

Reducing emissions across the streaming value chain

Viaplay Group is striving to make streaming more efficient at every stage across the value chain, whilst tackling the challenges of demand surges during peak-times and sporting events. Focusing on the stages we directly control we have implemented a dual approach, involving upgrading systems and processes to meet the growing demand and peak surges while also reducing energy use and emissions. Viaplay Group also works with industry groups, including DIMPACT and with our partners and suppliers, to provide more transparency on energy use and emissions.

Creating a serverless architecture

Viaplay Group works to continuously upgrade systems and processes. Retiring energy intensive onsite servers and migrating to more efficient hyperscale cloud services and thus creating a highly scalable serverless architecture is central to these efforts. In 2021 onsite-servers used 294 MWh of energy, as part of the migration in 2022, multiple onsite-servers located in Viaplay head-quarters were retired and reducing onsite-server energy use by 50%. In 2023, the Group aims to reduce on-site server energy use a further 33% as we continue to upgrade systems to minimise energy use.

Programming behind the platform

Viaplay Group is building its third generation Viaplay platform which will quadruple peak-capacity which will reduce both energy use and operating costs. The programming behind the latest version of the Viaplay platform is built using one of the most energy efficient programming languages, Rust.

Streaming partnerships

Content Distribution Networks (CDNs) make up the last step in streaming the Viaplay service to its customers. Viaplay Group uses several major CDN suppliers to host the Viaplay content catalogue. Replicating it for the local markets, they manage all traffic and make Viaplay content available anytime, anywhere and on any device.

Viaplay CO<sub>2</sub> per streaming-hour

	Viaplay average .....	7g
	Nordics.....	4g
	Other European countries .....	23g

	For 1 kWh, you can watch Viaplay content for ...	11 hours
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Other activities that use 1kWh:		
Vacuum cleaning.....	1.4 hrs	
Boiling water.....	27 minutes	
Sauna.....	10 minutes	

Emissions from the streaming (Scope 3.11)

Carbon emissions (tCO <sub>2</sub> -eq)	Annual emissions 2022	Past year 2021	Base year 2019
<b>Emissions from streaming</b>			
On-site & cloud	9	9	7
Distribution	36	143	186
Networks	1,332	762	1,153
Devices	4,557	2,622	3,548
<b>Total</b>	<b>5,934</b>	<b>3,536</b>	<b>4,894</b>

Energy and emission intensity (GRI 302-3)

Watt per hour streamed	Annual emissions 2022	Past year 2021
<b>Energy intensity – streaming value chain</b>	<b>56</b>	<b>55</b>

gCO<sub>2</sub> per hour streamed

<b>Emission intensity – streaming value chain</b>		
Nordics	4	3
Other European Countries	23	35
<b>Emission intensity - Group</b>	<b>7</b>	<b>4</b>

MWh per Employee

<b>Energy intensity – Group</b>	6.0	6.2
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tCO<sub>2</sub> per Employee

<b>Emission intensity – Group</b>	54.8	60.3
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**Note:** The energy intensity was calculated by dividing total energy use in MWh by the total Group headcount. The emission intensity was calculated by dividing total emissions in tCO<sub>2</sub> by the total Group employee headcount.

Taking climate & environmental action

This delivery of our content contributes to a significant part of energy demand from streaming. Viaplay Group has focused its efforts to reduce the energy use and emissions from CDN suppliers, by incorporating specific sustainability criteria into the procurement process of CDN services.

**Networks and user devices**

Most of the emissions generated by streaming are from the internet service provider (ISP) networks, which account for 22% of emissions from streaming, and the end user devices, i.e., the energy used when our customers watch Viaplay on their own devices such as TV or tablets at home, which accounts for 77% of emissions generated by streaming. Viaplay Group has no direct control over the energy use or emission intensity of these sources. To improve the environmental impact of this stage of the streaming value chain, Viaplay Group works with DIMPACT, a collaborative group comprised of academic bodies and 18 media and technology companies forming one of the most visionary organisations in the industry. Through the DIMPACT collaboration, the Group engages with all the manufacturers of end-user devices to improve data transparency and the energy efficiency of devices.

According to the GHG Protocol Scope 3 Standard, these emissions are optional; the most common approach is to exclude these emissions from organisation's footprint. Viaplay Group has decided to report these use-phase emissions in the category Use of Sold Products as indirect GHG emissions. Viaplay Group's inclusion of these emissions is based on the GHG

Protocol Standard's guiding principles of relevance, completeness, consistency, transparency, and accuracy. Viaplay Group believes that if businesses are serious about contributing to a more sustainable future, they need to evaluate their environmental impacts and find ways to mitigate them. As a leading streaming company, it is essential for us to develop an understanding of the climate impacts of our streaming services. At the same time, we must investigate ways to minimise these impacts over the long-term, without compromising the quality of our service.



**Our policies**

- [Sustainability Policy](#)
- Procurement guidelines for streaming suppliers
- [Supplier Code of Conduct](#)



Advancing diversity & inclusion

# Employee well-being

Offering flexible working options, mental health programmes, safe and healthy working conditions.



### Opportunities and challenges

At Viaplay Group we prioritise employee health and safety, as well as encourage positive work-life balance for employees. This helps us improve the overall well-being and productivity of our workforce. Our “People First” principle means that the safety, security, and well-being of employees is always one of our most important considerations. In practice this commitment entails offering flexible work arrangements through our hybrid work model, providing manager support with regular follow-ups as well as resources to help employees manage their work and personal responsibilities when needed, while always ensuring that the workplace is safe and healthy for all employees.

As an employer we have a responsibility to safeguard employee well-being as well as the fair and safe working conditions which contribute to it. Viaplay Group also works to safeguard and promote these conditions throughout its supply chain, particularly in its content and sports productions. You can learn more about these efforts in our reporting on Responsible Content Production and Acquisition.

### Employees and workers (GRI 2-7, 2-8)

Headcount	2022			2021		
	Women	Men	Total	Women	Men	Total
<b>Permanent employees</b>						
Nordics	576	750	1,326	—	—	—
Other Europe	106	125	231	—	—	—
<b>Full-time employees</b>	<b>682</b>	<b>875</b>	<b>1,557</b>	<b>572</b>	<b>721</b>	<b>1,293</b>
Nordics	5	8	13	—	—	—
Other Europe	1	2	3	—	—	—
<b>Part-time employees</b>	<b>6</b>	<b>10</b>	<b>16</b>	<b>14</b>	<b>4</b>	<b>18</b>
<b>Total permanent employees</b>	<b>688</b>	<b>885</b>	<b>1,573</b>	<b>586</b>	<b>725</b>	<b>1,311</b>
<b>Temporary employees</b>						
Nordics	34	59	93	52	84	136
Other Europe	10	15	25	5	1	6
<b>Total temporary employees</b>	<b>44</b>	<b>74</b>	<b>118</b>	<b>57</b>	<b>85</b>	<b>142</b>
<b>Total employees</b>	<b>732</b>	<b>959</b>	<b>1,691</b>	<b>643</b>	<b>810</b>	<b>1,453</b>
Workers	16	14	30	—	—	—

**Note:** Absentee days rate relates to employees only and is defined as days of absenteeism (including sickness) in each category in relation to the total number of employees in that category and 253 working days per year. Figures for 2021 did not include sickness causing the rate in 2022 to increase.

### In brief

**2026 Goal:**  
Employee perception of well-being index score of 83 (79, 2021) in employee engagement survey by end of 2026.

**Business Priority:**  
Empowering our people

**KPI:**  
Well-being index score (EES)

**2022 Targets:**  
● Continue to implement hybrid working model and trainings in time management & self-leadership for all employees to increase employee well-being perception to 81 (79, 2021) by end of 2022.

**2023 Targets:**  
Increased employees' perception of well-being to 82 (79, 2021) in employee engagement survey by end of 2023.

● Achieved ● Partially achieved ● Not achieved

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Progress

The actions taken towards our long-term goal of better employee well-being have been effective. We have reached Viaplay Group’s annual target and improved the overall index score by two points compared to 2021 (79 to 81). Our well-being index is included in our annual employee engagement survey. Activities taken to boost community and social belonging such as film screenings for employees of Viaplay content. We have also worked to further establish our hybrid model, with the majority of our people finding the right balance, working 2-3 days from home/office. In addition to this we conduct more regular follow-ups on stress and work-life balance throughout the year. The Group has seen a positive development within improved work-life balance and reported stress levels over the course year. Stress

levels saw the most notable improvement and have decreased by 7% over the course of 2022. We are happy to report that Viaplay Group had zero work-related injuries of any type or incidents of occupational disease during 2022.

Going forward it will be important to maintain focus on these efforts to achieve our long-term goal. Viaplay Group will do this by further establishing the hybrid work model, and the continued roll-out of the ‘Good to Great’ leadership model, which places a strong emphasis on employee well-being.



How we work

Viaplay Group works proactively and continuously to ensure a healthy and safe work environment, both physically and psychosocially, through several different work

streams. We use self-reported employee well-being as an indicator to assess our efforts as it encompasses all aspects of working life at Viaplay Group – the office environment, work-life balance, health, safety and even the general mood throughout a workday.

Well-being strategy

During 2022, Viaplay Group began developing a well-being strategy. This includes a framework of key areas for proactively addressing and improving the overall well-being of employees, such as work-life balance, boundaries and negotiations, clear expectations, strong relationships, and appreciation.

Our well-being strategy aims to address three crucial focus areas: managing stress levels, empowering individuals to have a greater impact on their work situation and promoting a healthy work-life balance. To achieve this, we will increase the frequency and intensity of our leadership initiatives and provide targeted support to leaders and teams most in need of it. Additionally, we will conduct periodic pulse surveys to measure the well-being of our employees and proactively address any areas that require improvement. Finally, we will continue to evolve our hybrid work model to assist our managers and employees in finding the ideal balance between work and personal life.

Hybrid working model

Viaplay Group takes a hybrid model approach to the work environment in which employees spend 2-3 days working from our offices. We want to be a place where both our people and our business thrive. Since implementing the hybrid model, evidence suggests higher satisfaction and engagement among employees. Since

Work-related injuries – employees & workers (GRI 403-9)

Number of incidents & rate	2022			2021		
	Women	Men	Total	Women	Men	Total
Work-related fatalities	—	—	—	—	—	—
High-consequence work-related injuries	—	—	—	2	3	5
Recordable work-related injuries	—	—	—	—	—	—
Lost work days	—	—	—	—	23	23
Absent days rate	3.0	1.2	2.0	1.4	0.9	1.0

**Note:** Absentee days rate relates to employees only and is defined as days of absenteeism (including sickness) in each category in relation to the total number of employees in that category and 253 working days per year. Figures for 2021 did not include sickness, causing the rate in 2022 to increase.

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launching the model, the Group conducts an annual Hybrid Survey to understand employee perceptions of the model. In the 2022 survey, over 93% of employees perceived their productivity as either the same or improved since the introduction of the hybrid model.

**Work environment, employee health and safety**

Viaplay Group applies a systematic and proactive approach to health and safety that includes all people and is implemented across all offices, in all countries of operations. This is done in accordance with national legislation and the Group's steering documents, which stipulate a coordinated management approach to health and safety.

The Work Environment Policy sets the expectations and standards for how the work environment should be in the Group's offices and clarifies roles and the division of responsibilities across Viaplay Group.

**Ensuring a safe workplace**

Viaplay Group's Security team works closely with all Viaplay Group functions to identify potential risks and ways to mitigate them. This is done by training teams and implementing processes, systems, or insurance policies to protect employees and the business. Safety rounds are carried out at all offices and workplaces; local safety representatives participate in these safety rounds and contribute to work environment development initiatives lead by the People and Sustainability function throughout the year.

Viaplay Group's risk processes are used to evaluate and improve the business's systematic approach to health and safety. These processes ensure that physical security at all offices adheres to a minimum requirement

for security at each location; including standards for access control and alarms, ensuring a safe environment. Viaplay Group also works actively to promote safety in traveling and conducts bespoke risk assessment based on specific travel locations and provides key recommendations to ensure travel safety. All Viaplay Group's employees, including contractors, are covered by its business travel insurance, ensuring medical assistance and emergency support. Through the Group's Crisis management framework, various response teams have been identified across the group to handle incidents. They are activated when issues are reported, and specific criteria or conditions are met. This work is coordinated by the Head of Group Security.

Additionally, Work Environment Committees exists in all countries of operation and represent all Viaplay Group employees. Committees are responsible for informing and educating employees on the importance of a good working environment, reviewing and following-up on incidents and accidents, as well as making suggestions on changes to current processes. Part of this work includes a work environment evaluation in which the physical work environment is assessed by committee members to solicit employee input. The frequency of the committee meetings varies from country to country, but reviews of both the physical and psychosocial environment are conducted annually, along with action plans to address any changes.

**Promoting employee health**

To ensure that employees stay mentally and physically healthy, Viaplay Group proactively engages in promoting well-being, job satisfaction and a healthy work-life balance. All employees are provided with online 'Work

environment training' (physical, psychosocial, and organisational) as well as access to a specific well-being website, which encourages employees to balance their workday with breaks, exercise and other initiatives. Regular follow-ups on employee well-being are conducted through the development dialogue process and employee surveys.

Additionally, we provide occupational health services including benefits and voluntary health promotion services to all employees. Some of the services are applicable across the entire Group, and others adjusted to each country or national legislation. Moreover, we offer employee assistance programmes in all countries through different providers. This means that employees can receive access to psychological support for work and private life related matters.

**Reporting health and safety concerns**

All employees and workers at Viaplay Group are always encouraged to react to detected unsafe or unhealthy work situations. Health and safety concerns and incidents can be reported locally in the specific facilities of operation or through an internal incident reporting system, available to all employees via the intranet. Viaplay Group's policies prohibit any form of repercussions against employees who use the incident reporting system. A reported issue will be handled through a risk assessment process, either in a formal or informal manner, depending on the nature of the situation.

Work Environment Committees, together with the People & Sustainability department, Office Managers, and Facility Managers enable employees to participate in the development of their work environment.

**Work-life balance in production**

Encouraging a healthy and safe working environment in commissioned productions is a priority requirement when we work with partners. Our Supplier Code of Conduct stipulates requirements our suppliers must provide employees and workers with a healthy and safe work environment. In 2022, we implemented the sharing of a 'sustainable production memo' at kick-off of all productions as well as efforts to monitor well-being in selected productions through a pulse survey system, which will be rolled out in an increasing number of commissioned productions in 2023. Learn more about this work in reporting on Responsible Content Production and Acquisition.



**Our policies:**

- [People Policy](#)
- [Work Environment Policy](#)

Advancing diversity & inclusion

# Talent attraction, development & retention

Providing performance and career development plans, training, and succession planning.



### Opportunities and challenges

Viaplay Group operates at the intersection of the fast-paced technology and creative content industries. Achieving success requires engagement, collaboration, continuous skill development and effective leadership. We recognise the significant benefits of leadership development for both individuals and the organisation. We view the prioritising of employee and leadership development, fostering a culture of learning, and the leveraging of technology and data to identify and attract top talent as essential for maintaining competitive advantage and executing on our corporate strategies.

Effective leadership development can positively impact the economy by spurring growth and improving the well-being of all stakeholders, including employees, customers, and the larger community. Our approach to leadership development focuses on improving communication, collaboration, and decision-making among team members, while also promoting employee engagement and well-being. This leads to improved organisational performance, increased competitiveness, and a more responsible, ethical and resilient business community.



### Progress

In 2022, Viaplay Group championed inclusion and equality in our employment practices while creating new job opportunities and hiring 493 new talents. Our fast-track recruitment process for Ukrainian candidates, opened doors for individuals from disadvantaged backgrounds, including war zones, to access employment opportunities. During the year we implemented new technology in our talent acquisition process to support our efforts to attract and retain diverse talent. Specifi-

cally, we had success in identifying and pursuing under-represented groups, such as women in technology.

During the year, Viaplay Group focused its skill development strategy on empowering its leaders to become the driving force behind the company's journey towards a learning culture. This was achieved through the implementation of the "Good to Great" in-house leadership strategy and model. The model is based on internal and external data which shows that exceptional leadership leads to highly engaged teams, which in turn improves business profitability and performance. To support this goal, Viaplay Group launched several initiatives, including self-assessments, a digital team tool site, and a new

Average hours of employee training (GRI 404 -1)

Hours	2022			2021		
	Women	Men	Total	Women	Men	Total
CEO, EVPs, CxOs, Sub. CEOs, SVPs	12,2	7,6	9,3	0.1	0.5	0.3
VPs, Heads of	12,4	11,3	11,8	1.5	1.0	1.3
Managers	18,0	10,9	13,9	3.3	1.0	2.0
Non-managers	2,4	1,8	2,1	1.5	0.8	1.2
Group average	4,6	3,6	4,0	1.6	0.9	1.2

**Note:** Average training hours are calculated using the total number of hours of training conducted by employees in each category and the total number of employees the category.

### In brief

**2026 Goal:**  
Reaching 75% of all employees' participating in voluntary skills development initiatives by end of 2026.

**Business priority:**  
Empowering our people

**KPI:**  
% of employees participating in voluntary skill development

**2022 Targets:**  
● Reaching 50% of employees participating in voluntary learning & development initiatives (i.e. e-learning, peer-to-peer knowledge sharing, trainer led courses & workshops).

**2023 Targets:**  
Reaching 55% of employees participating in voluntary learning & development initiatives in 2023.

● Achieved ● Partially achieved ● Not achieved



## Advancing diversity &amp; inclusion

leadership development programme. The voluntary learning & development programme had a significant percentage of managers enrolled in the programme, with over 81% of managers participating over the course of the year. The early results of the programme have shown an improvement in the company's leadership index, with a score of 87 (84 in 2021) compared to a global benchmark of 80. In addition to its leadership development initiatives, Viaplay Group also offered open training sessions to non-managers individually as well as targeted team initiatives, leading to an overall participation rate in voluntary training of 49%.

The Group manages performance and learning culture primarily through a performance and development appraisal known as the 'Development dialogue'. In 2022, 380 people, both managers and non-managers participated in trainings on "How to get the most out of your dialogue" resulting in an increase of 5% year to year, in the number of employees having a dialogue, and 80% of all employees receiving performance and development appraisals.



## How we work

## Talent attraction

## PROUD SPONSOR OF WOMEN IN TECH SWEDEN

As the sponsor of Women in Tech (WIT) Sweden for the ninth consecutive year, we have been able to effectively increase our talent attraction and awareness as an employer for women in the technology field. Our participation in WIT events provides a valuable opportunity for us to connect with a diverse pool of talented women

## New employee hires and employee turnover (GRI 401-1)

		2022						2021					
		Nordics		Other Europe		Total		Nordics		Other Europe		Total	
		Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
<b>New hires</b>													
<b>Gender</b>	Men	197	14	79	31	276	29	158	12	14	9	172	12
	Women	170	12	47	18	217	13	142	11	27	18	169	12
<b>Age group</b>	<30	119	8	57	22	176	10	99	8	9	6	108	7
	30–50	235	16	64	25	299	18	191	15	30	20	221	15
	>50	13	2	5	2	18	1	10	1	2	1	12	1
<b>Total new hires</b>		<b>367</b>	<b>26</b>	<b>126</b>	<b>49</b>	<b>493</b>	<b>29</b>	<b>300</b>	<b>23</b>	<b>41</b>	<b>27</b>	<b>341</b>	<b>23</b>
<b>Turnover</b>													
<b>Gender</b>	Men	105	7	6	2	111	7	91	7	4	3	95	7
	Women	80	6	26	10	106	6	87	7	10	7	97	7
<b>Age group</b>	<30	28	2	17	7	45	3	39	3	3	2	42	3
	30–50	147	10	15	6	162	10	121	10	11	7	132	9
	>50	10	1	0	0	10	1	18	1	0	0	18	1
<b>Total turnover</b>		<b>185</b>	<b>13</b>	<b>32</b>	<b>12</b>	<b>217</b>	<b>13</b>	<b>178</b>	<b>14</b>	<b>14</b>	<b>10</b>	<b>192</b>	<b>13</b>

## Internal recruitment

		2022						2021					
		Women		Men		Total		Women		Men		Total	
		Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Internally recruited		176	24	170	18	346	20	96	15	100	12	196	13

Advancing diversity & inclusion

Performance & development appraisals (PDA) (GRI 404-3)

Propoporation of employees who received PDA, %	2022			2021		
	Women	Men	Total	Women	Men	Total
Managers	77	83	81	78	80	78
Non-managers	79	81	80	69	77	74
Group average	78	82	80	72	77	75

**Note:** PDA rate is defined as the percentage of employees in each category who participated in a PDA. Data was collected via Employee Engagement Survey (EES), so only employees who partipated in the survey (89%, 1,499 employees) are accounted for in these figures.

who are interested in a career in technology. This has allowed us to showcase Viaplay Group as an inclusive and equitable employer, which has been key to our success. The key benefit of being the sponsor of WIT is the employer brand building and the increased awareness it provides. This has helped us to attract a more diverse pool of applicants, increasing the chances of finding the best candidates for future positions. By being a sponsor of WIT, we are affirming our commitment to diversity, inclusion and gender equality, which is a crucial aspect of our talent attraction strategy.

Tech solutions play a crucial role in talent attraction

The use of technology and data has become increasingly important in talent attraction. Amazing Hiring, Team Tailor, and Alva Labs are examples of solutions that leverage technology and data to improve our recruitment processes, identify top talent, and evaluate candidates based on skills, abilities, and cultural contribution. These tools allow for us to streamline the recruitment process-

es, attract candidates who align with our culture, and create a positive candidate experience. Overall, these tech solutions and data-driven approaches have become essential for our modern talent attraction, allowing us to save time and resources while effectively identifying and attracting the best candidates for the job.

Talent development

**PERFORMANCE AND CAREER DEVELOPMENT REVIEW**  
Our career and development review process, known as the 'Development dialogue', enables managers and employees to set long-term goals and follow up on them frequently. This approach allows us to identify development opportunities, align them with employee's goals and support them in reaching their full potential. The process is an essential component of our talent development strategy. It enables employees to gain a clear understanding of their job performance and progress towards their career development goals and provides them with valuable feedback and guidance to improve.

Parental leave (GRI 401-3)

	2022			2021		
	Women	Men	Total	Women	Men	Total
Number of employees with right to PL	728	958	1,686	629	796	1,425
Number of employees who took PL	60	83	143	46	50	96
Proportion of employees who took PL	8%	9%	8%	7%	6%	7%
Number of employees that returned to work after PL ended	52	82	134	30	39	69
Number of employees still employed 12 months after PL ended	33	32	65	32	31	63

The Development Dialogue process consists of a longer more structured "kick off" dialogue followed by more frequent and less formal one on ones. We begin the process by setting clear performance expectations and career development goals for employees through individual meetings where they can discuss their aspirations and goals with their managers. These goals are then regularly reviewed to ensure that employees are on track to meet them. During the review, employees and managers will discuss progress, performance, and any challenges encountered. Managers provide feedback, offer guidance and support to help employees overcome obstacles.

Leadership and continuous learning

Viaplay Group's Leadership model is based on contemporary and established scientific theories and the unique Viaplay Group perspective. The model consists of four principles: "boost motivation," "set direction," "build together," and "it starts with you." To develop the model,

the company conducted in-depth interviews, surveys, and workshops with leaders and employees to identify crucial leadership competences needed to achieve our goals, realise our vision, and embody the Viaplay culture.

Several leadership development initiatives were launched in 2022 to further strengthen our leadership and learning culture. The Good to Great initiative is built on various learning tracks aligned with Viaplay's leadership model. Participants choose tracks based on their individual prerequisites and needs, designing their own tailored leadership development. The programme is voluntary because autonomy and accountability enhance the learning experience. The tracks include a mix of self-assessments, live and digital workshops, and structured peer-to-peer learning, allowing participants to learn from and with each other. To maximize the return on investment, the programme also focuses on action sprints "in the flow of work," using work as a practical training ground for continuous development. In addition to individual programmes and open ses-

Advancing diversity & inclusion

sions, Viaplay hosts training sessions for non-leaders on subjects such as feedback, team building, working in a hybrid setting, and self-leadership. These sessions aim to promote self-leadership and increase employee participation in learning and development initiatives.

While focusing on leadership development to activate our learning culture, we also offer open training sessions for non-leaders on subjects such as feedback, team building, working in a hybrid setting, and self-leadership. To support specific areas or teams, we conducted several learning initiatives, such as team development trainings and the “Foster a Learning Culture” programme. The latter programme aims to help teams in engineering develop themselves, adopt new technology-driven ways of working, and share key competencies to stay innovative. Additionally, we host “Hack Days” which encourage cross-functional teams to collaborate on projects of their choice to discover technology-driven solutions for various aspects of the business. These initiatives promote innovation and creativity, inspiring employees to think outside the box and implement new ideas to drive business success.

Talent retention

MONITORING ENGAGEMENT AND OPTIMISING WELL-BEING  
Viaplay Group strives to be an employer of choice. We achieve this by offering flexible schedules, remote work options, and other accommodations which can help employees better balance their work and personal lives, leading to greater job satisfaction.

The Group works to inform talent retention efforts by regularly conducting surveys to understand employee engagement and satisfaction. Feedback provided can help identify areas where the company needs to

improve and act accordingly. The employee engagement survey (EES) measures many factors which feed into the index scores and serve as indicators of different aspects of the well-being of the workforce.

Internal mobility, talent review, and succession planning

Offering opportunities for employees to advance their careers within the company can help keep them stay motivated and satisfied. We report on and track our internal mobility rate as one means of monitoring our retention efforts. Viaplay Group conducts an annual Group-wide top talent review to identify and retain high-performing employees. This review assesses current performance, future potential and development needs and is the basis for decisions about new opportunities, promotions and other forms of recognition or advancement aligned with the company’s strategic goals.

Succession planning at Viaplay Group is a continuous process, with annual follow ups that aims to ensure continuity of operations by identifying and developing a pipeline of candidates to fill key leadership and critical competency roles. Placing a particular focus on internal candidates fosters a culture of employee development and advancement, which helps to retain top talent and improve overall employee satisfaction.



Our policies

- [People Policy](#)

# Equality, diversity, and inclusion

Ensuring a fair and open work environment, equal gender representation of creatives behind and in front of the camera, and equal pay for equal work.



### Opportunities and challenges

#### An increasingly diverse international streaming sector

The significance of promoting diversity and inclusion in the media and streaming industry cannot be over-emphasised. We recognise that diversity and inclusion are vital for ongoing business success as we expand our international reach and serve an increasingly array of audiences across different markets, while also being paramount to achieving a more equal society. Viaplay

Group is dedicated to implementing, monitoring, and evaluating inclusive practices and policies, while striving to create a media landscape that accurately represents and empowers all individuals.

#### Widening the circle and growing diversly

Equality, diversity, and inclusion are key elements of Viaplay Group's work with social sustainability, and we promote them within our business and in society. The expansion of our streaming presence presents both opportunities and challenges. Expansion can allow for the amplification of diverse voices on a larger scale, but

also introduces the risk of cultural insensitivity and the perpetuation of harmful stereotypes, if not approached with sensitivity and care.

Expansion also presents challenges to promoting Equality, Diversity, and Inclusion in the workplace. These may include compliance with local regulations, limited awareness, and different maturity levels when entering new markets. Despite these challenges, the Group has been successful in driving initiatives supporting under-represented talents in the creative industry, improving gender representation in the creative value chain, and increasing perceptions of inclusivity in its workforce.

### Diversity and equal opportunity (GRI 405-1 & 405-2)

%	Share of workforce		Gender				Age group						Pay ratio women to men
			Women		Men		<30		30–50		>50		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Board of Directors	—	—	50	50	50	50	—	—	—	—	100	100	94
CEO, EVPs, CxOs, Sub. CEOs, SVPs	2	2	37	48	63	52	0	—	71	80	29	20	79
VPs, Heads of	11	12	43	46	57	54	1	2	85	87	14	11	91
Managers	6	6	41	44	59	56	5	6	82	77	13	17	79
Non-managers	81	80	44	44	56	56	22	21	69	70	9	9	90
Total	100	100	44	44	56	56	18	18	71	72	11	10	90

**Note:** Pay ratio women to men is calculated by comparing the median women's salary to the median men's salary (base pay and remuneration) from each employee category.

### In brief

#### 2026 Goals:

- Reach 50/50 gender balance in total workforce by 2026 (baseline 44F/56M%, 2021).
- Increasing employees' perceived inclusion to 86 (baseline 82, 2021) in employee survey by 2026.
- Reach and maintain a 50/50% gender balance in all Viaplay's Nordic productions by 2026 (baseline 47F/53M%, 2021).

#### Business priority:

- Empowering our people
- Delivering outstanding content

#### 2022 Targets:

- Reach 45F/55M% gender balance in workforce by 2022.
- Rollout training to increase perceived inclusion from 82 to 83 by 2022.
- Reach 48F/52M% gender balance in all Viaplay Group productions by 2022.

● Achieved ● Partially achieved ● Not achieved



Advancing diversity & inclusion

Addressing these challenges through training, language support, and local policy development is crucial to maintaining a strong commitment to these concepts during expansion.



Progress

Equal gender representation in the creative value chain

To drive progress towards this goal, Viaplay Group has implemented several initiatives, including diversity and inclusion awareness initiatives for employees and production companies. These efforts have been effective in driving progress towards our overall goal and have led us to achieve and surpass our annual target and reach (51%F 2022) in the Nordic creative value chain.

Our ongoing efforts to achieve and highlight the importance of equal gender representation in the creative value chain have been acknowledged, reaffirming the value of consistent tracking and measurement and importance of our work towards diversity and inclusion goals. As a result, we will continue to have regular check-ins and progress reviews to ensure that we are making progress and make any necessary adjustments to our policies and procedures that may be impeding it.

Gender balance in sports

Viaplay Group is committed to supporting the growth of women's sports and has acquired the rights to a variety of competitions, including handball, football, golf, and cross-country skiing. We also acquired top-division women's football rights from several European countries and selected matches from Spain's Liga Iberdrola.

In 2020, we set a target to increase the number of women's sports rights by 20% in two years and are pleased to report that in 2022, we reached 47 rights (42 rights, 2021 and 38 rights, 2020) involving women, achieving the target by 23.7%. We will continue to invest in and support the growth of women's sports and establish a new target for the coming years.

We have established a baseline for female representation in front of the camera in the sports value chain. In 2023, we will continue this work establishing a baseline for gender balance behind the camera in the entire creative value. This reflects our commitment to diversity and inclusion in all aspects of our business.



How we work

Our Equality, Diversity and Inclusion (EDI) strategy focuses on three key areas: producing and promoting diverse content, attracting and retaining diverse talent, and creating a sense of belonging for all. We have a dedicated Diversity and Inclusion team, and these efforts are integrated into our Sustainability strategy and roadmap. Our aim is to create an inclusive and engaging environment for all employees and customers.

Viaplay Group has implemented several initiatives to promote diversity, equity, and inclusion throughout the years. These included:

Producing and promoting diverse content

- A study on representation in content, conducted in collaboration with Hyper Island students, which identified underrepresented topics such as cultur-

al economy, human rights and public health in the Group's content portfolio, and then developed a process to make newly tagged content easy to find using relevant keywords.

- Several productions with a sustainability and EDI perspective produced, including Sweden in Solidarity with Ukraine, 'Kampen för Livet' (BEAT Diabetes), and Love in the Time of Corona.
- Viaplay Talent Awards, a Scandinavian pitch programme for students from selected film school students in Denmark, Norway and Sweden with opportunity to develop their ideas from pitch to be seen on Viaplay. Focus is on young adult content, told with a new perspective, that deals with inclusion.

Attracting and retaining diverse talent

- A mentorship programme that provides one-on-one support and development on topics related to equality, professional growth, and career advancement. Over 60 employees participate in the programme each year.
- The use of a software solution called 'Develop Diverse', which automatically analyses job ads for stereotypes related to gender, age, and ethnicity and suggests non-stereotypic alternatives. This is intended to help the company attract and retain the best qualified talent regardless of gender, age, or cultural context. The software will be implemented in areas with high recruitment volume in 2023.
- Integrate gender balance target into short-term incentive schemes for top management. Incentivising the progression of more equal gender balance

is necessary moving forward, helping us develop a way of working that facilitates the inclusion of more underrepresented groups.

Creating a sense of belonging for all

- The provision of free menstrual care products in office restrooms through a collaboration with Red-Locker. This initiative is meant to create conditions for all employees to manage their everyday lives on equal terms. These are currently available in offices in Sweden, Denmark, Norway and UK.
- A menopause directive that provides support and accommodations for employees experiencing menopause, such as flexible work arrangements and access to supportive resources. This will be extended to all markets in 2023.
- Inclusion awareness initiatives, including training and events related to Women in Tech, Pride, Eid, Diwali.



Our policies

- [People Policy](#)
- [Work Environment Policy](#)
- Menopause Directive
- [Non-discrimination & Anti-Harassment Directive](#)
- [Equality Diversity Directive](#)

Advancing diversity & inclusion

# Content accessibility

Providing sign language support, audio descriptions for the hard of hearing, and subtitling.



## Opportunities and challenges

### Content accessibility at Viaplay group

Accessibility issues affect all demographics of users on Viaplay Group's platforms, and as such it is of vital importance to us that we are inclusive and work proactively to make our content accessible to as many people as possible. Industry standards have changed to reflect the diverse needs of customers, with subtitling and audio description offered as standard for most major productions and new technology such as spoken subtitles/read out text becoming more prevalent.

### Increasing access for all

Viaplay Group aims to implement subtitling, sign language, audio description and spoken text across all the relevant devices wherever possible. To this end, we select the most popular programmes for accessibility uplift so that all viewers can experience the best of Viaplay and have set long-term targets for increasing the catalogue of content available on the platform with full accessibility options.



## Progress

During the year the Group has worked effectively to push progress towards making at least 25 Viaplay origi-

nal productions available with full accessibility options by 2026. The annual target of making 5 available with full accessibility options was only partially achieved, owing to the complexity of the technical development required on the platform to host all accessibility options simultaneously. We anticipate the target will be fully achieved in early 2023. To ensure that we fully achieve our future targets we will work to better account for the complexity of projects related to changes within our platform's ecosystem when working with content accessibility features.



## How we work

Accessibility is managed cooperatively between Content Compliance, Programme Planning, Content and Sustainability within Viaplay Group. We work to ensure we are employing the latest technologies, selecting the most interesting and valuable content and monitoring feedback from our viewers on the standard of our offering. In 2022, Viaplay Group established the Responsible Content Working Group (RCWG) which brings together representatives from across the business to proactively resolve existing issues and identify areas for improvement with our content. The RCWG engaged with various disability organisations across the Nordics in 2022 about their feedback and desires for a strong content accessibility offering. The Group will implement future policies and workstreams around accessibility based on the learnings from these meetings. Viaplay Group will

hold further meetings in 2023 including inviting groups to speak at the RCWG meetings.

Currently we provide the following accessibility options across our linear and VOD services.

**Subtitling** – All pre-recorded content newly published in the local language is provided with subtitles wherever they are available.

**Audio description** – This is offered on a variety of content in Sweden and Denmark on our linear channels. Development work is ongoing to make this available in early 2023 on our streaming service Viaplay.

**Sign language** – Any sign language programme published in our linear channels are available on Viaplay if the programme is available there, in addition select popular series are included with sign language interpretation.



## Our policies and initiatives

- Viaplay Group is working to establish information resources for users with special needs to quickly identify which of our programmes are available to them. This will initially take the form of a directory available via our website and in future will include a 'smart search' function within the Viaplay platforms.
- [Editorial Guidelines](#).

### In brief

**2026 Goal:**  
Making at least 25 Viaplay original productions available on Viaplay with full accessibility (i.e. subtitling, audio description, sign language and spoken text) by end of 2026.

**Business Priority:**  
Creating engaging customer experiences.

**KPI:**  
# of Viaplay original productions with full accessibility options on the platform.

**2022 Targets:**  
● Making the top 5 Viaplay original productions available on Viaplay with full accessibility (i.e. subtitling, audio description, sign language and spoken text) in 2022.

**2023 Targets:**  
Making the top 10 Viaplay original productions fully accessible.

● Achieved ● Partially achieved ● Not achieved

Promoting well-being & ethics

# Responsible content production and acquisition

Safeguarding and following up on the implementation of our Code of Conduct, Supplier Code of Conduct, and sustainability criteria in content production and acquisition.



### Opportunities and challenges

As a primary business activity, content production and its value chain are of paramount importance to Viaplay Group. Producing content presents logistical challenges which can result in environmental and climate impacts as well as stressful working conditions.

We aim to ensure that our own content production practices and the content we acquire uplift people and protect the planet. To this end, the Group sets targets for its production portfolio for content with storytelling related to sustainability issues and implements additional programmes within its general approach to supply chain management that aim to ensure our Supplier Code of Conduct, Sustainability Policy, Human Rights Policy, and Work Environment Policy are respected in productions.



### Progress

In 2022, Viaplay's Sustainable production programme took shape with the launch of several initiatives aiming to ensure implementation of our Code of Conduct and

other policies as well as various sustainability criteria. Viaplay Group developed and piloted its Sustainable production guide, including a People & Planet storytelling test to ensure climate conscious production practices and storytelling that contributes to addressing social and environmental challenges. The guide was developed together with Viaplay personnel from all our markets and with experience from both non-scripted and scripted productions. During 2023, the Group plans to implement the guide in 10% of Viaplay's content productions (70+), with the aim of implementing it in an increasing number of productions until it is used in all Viaplay productions by the year 2026. In addition, we will also develop a version of the Sustainable production guide for Viaplay's sports productions.

We understand the impact storytelling has on the world and have therefore directed substantial efforts into investing in productions emphasising diverse storytelling. In 2022, we invested in more than 20 productions related to underrepresented social groups i.e. gender, cultural context, languages; surpassing the target of five in 2022. In 2023 we will expand the scope of this work and aim to have 50% of all Viaplay Group financed content productions emphasise climate, environment or/and diverse storytelling.

During the year, we increased efforts to safeguard well-being, ethics and human rights in Viaplay's produc-

tions and those produced by our suppliers, by introducing several new measures. Measures included conducting work environment screenings via pulse surveys and third-party audits of productions. In total:

- Work environment screenings in 7 key productions, all personnel involved received pulse surveys regarding their work life-balance.
- Initial screening of all productions, 4 onsite audits of production suppliers conducted by a third-party, in which 85 non-conformities were identified and closed during the year.
- These audits engaged 80 workers via one-on-one interviews and over 410 workers involved in the audited productions overall (incl. crew members, contestants, sub-suppliers).
- Issues commonly identified in audits were labour right issues, working hours, as well as health and safety concerns.
- Three onsite third-party audits are planned for 2023.

In 2021, there was an incident in our supply chain for original non-scripted productions. In the production an incident of sexual harassment occurred, and a legal investigation was initiated during 2022 which was sub-

### In brief

#### 2026 Goal:

- Develop and implement Viaplay's Sustainable Production Guide, incl. People & Planet storytelling test in all Viaplay's produced content.
- 75% of all Viaplay financed content productions to emphasise climate, environment or diverse storytelling.
- Ensure ethical behaviour, human rights and well-being in all productions by strengthened processes, trainings and audit programme.

#### Business Priority:

- Creating engaging customer experiences
- Delivering outstanding content

#### 2022 Targets:

- Develop storytelling test' piloting two productions and invest in 3-5 productions emphasising diverse storytelling in 2022
- Roll-out 'Rulebook on work environment' to all productions and send pulse-survey to 70% of all productions measuring work life balance, health & safety in 2022
- Ongoing screening of all productions, 4 production audits.

● Achieved ● Partially achieved ● Not achieved

Promoting well-being & ethics

sequently dropped. Nevertheless, Viaplay Group took immediate corrective actions and has been working on improvements together with the supplier since the incident, including participant guidelines, trainings to participants and workers in consent, and hired Contestant Managers in all Scandinavian markets. Viaplay Group continues to improve its production processes together with its suppliers, and no supplier relationships have been terminated during the year.



How we work

Viaplay Group's sustainable production programme consists of several initiatives that work in concert to deliver our sustainability ambitions in productions we put on and those that we invest in through our supply chain.

Sustainable production guide and storytelling

In 2022, Viaplay Group developed a Sustainable Production Guide (SPG), which was piloted in a selected number of Viaplay scripted and non-scripted productions. The SPG provides a structured means of integrating sustainability into every stage of the productions process, from considering sustainability in storytelling at the idea stage to planning and executing low emission logistics in the actual production. In addition to this, we invest in storytelling that matters; emphasising climate, environmental issues, as well as diverse storytelling.

Sustainability production memo and work environment screenings

At the kick-off of any production carrying the Viaplay brand, all participants of the production receive the Viaplay Group 'Sustainable Production Memo'. This document outlines our People Principles for productions which establish what an acceptable working environment is in a production and how we intend our people working on productions to be treated and to treat each other, as well as our Planet Principles which establish how we expect everyone working for us to try their best to safeguard the environment and work to continuously improve in this regard.

Work environment screenings are conducted via pulse-surveys in strategic production, assessing work life balance, health and safety in the workplace. The responses are carefully monitored. If any concerns related to labour or human rights are raised, the Group conducts an immediate onsite audit of the production in question. Viaplay Group established an annual on-site audit programme to mitigate risks, safeguard responsible operations and ensure that sustainability is integrated in the supply chain, specifically in productions. This programme also aims to ensure that suppliers operate in accordance with our Supplier Code of Conduct and principles of ethical business behaviour.

Third-party audit programme

Viaplay Group's third-party audit programme enables the Group to have oversight and ensure that policies and procedures are implemented and followed. At the same time they enable us to, identify best practices and systematically improve our processes involving suppliers.

Audits of productions are conducted annually and cover the requirements set out in our Supplier Code of Conduct. The audits are conducted by a third-party auditor in cooperation with the Sustainability team. Corrective Action Plan (CAP) are established, agreed upon and followed up with the supplier undergoing the audit. In the event of major non-conformities, a follow-up audit is conducted.

In each production the Code of Conduct is discussed in the start-up meeting and Viaplay Group provides information about its whistle-blower service (speak-up line) to all production staff both at start-up meetings and during set visits to ensure that everyone knows what to do and who to contact in the event of any issues.



Our policies

- [Sustainability Policy](#)
- [Sustainable Production Guide](#)
- [Supplier Code of Conduct](#)
- [Sustainable Production Memo](#)
- [Editorial guidelines](#)



Promoting well-being & ethics

# Content compliance and the protection of children

Offering children educational content, providing information for parents, and showing sensitive content only at appropriate times.



## Opportunities and challenges

### Standing up for children's rights

Given the increase in media literacy and exposure among children, Viaplay Group aims to provide a safe environment on our platforms and to ensure that parents are able to effectively moderate the content their children view. In addition, whenever our work involves the presence of minors e.g. child actors Viaplay Group ensures that there are clear guidelines for those in charge of their welfare.

### Protecting children and supporting self-regulation

Viaplay Group has enabled parental controls on our platform in addition to ensuring all material is appropriately scheduled on our linear services. Age rating information is provided for all titles along with further information in plot summaries to enable parents to make informed decisions on the content they allow their children to view.



## Progress

Viaplay Group has received no complaints in relation to protection of minors in the past year, but still aims to improve child protection further with developments in the product such as including more information on content unsuitable for sensitive audiences.



## How we work

Viaplay Group has a dedicated Content compliance team which implements content compliance requirements across our markets in accordance with relevant national regulations applicable to our programmes, sponsorships, commercials and trailers.

### Content compliance

Additionally, the Content compliance team drives compliance through dedicated briefings on potential issues for meetings prior to productions, and in our productions through updating and maintaining a dedicated compliance handbook and training of all relevant staff in principles essential to their work. Content compli-

ance also review all programmes prior to publication on any of our services to ensure everything is thoroughly vetted.

### Responsible content working group

Alongside its work with accessibility, the RCWG seeks to take a panoramic view on how we can make our content as responsible as possible. This is done by taking a proactive approach e.g. by creating Animal welfare guidelines for our producers, or by working to establish resources for viewers affected by any of the issues in our content who may want to seek help from charities or organisations relevant to such topics.



## Our policies

- Participant Welfare Guidelines
- Child Protection Guidelines
- [Human Rights Policy](#)

## In brief

**2026 Goal:**  
Ensure ethical behaviour, human rights and well-being in all productions by strengthened processes, trainings and audit programme.

**Business priority:**  
• Delivering outstanding content

**2022 Targets:**  
● Include new child welfare & participant guidelines as part of annual content compliance training for all Executive Producers and Contestant Managers in 2022.

**2023 Targets:**  
See the section on Human rights page 133 for target for 2023.

● Achieved ● Partially achieved ● Not achieved

Promoting well-being & ethics

**Content compliance** (GRI 417-2 & 417-3)  
Incidents of non-compliance concerning marketing communications & product and service information and labelling - TV, Radio & Streaming

Number of incidents of non-compliance	2022	2021
<b>Marketing Communications – advertising, promotion, and sponsorship</b>		
Resulting in a fine or penalty	1	0
Resulting in a warning	0	1
with voluntary codes	0	0
Relating to minors	0	0
<b>Product and service information and labelling</b>		
Resulting in a fine or penalty	0	0
Resulting in a warning	0	1
with voluntary codes	0	0
Relating to minors	0	0
<b>Total</b>	<b>1</b>	<b>2</b>
Still pending at the end of reporting period	3	2

**Note:** Figures refer to the number of broadcast complaints. All Viaplay Group’s Swedish licensed TV channels, Norwegian and Swedish radio stations and streaming services are included in these figures. ‘Still pending’ means that the complaint had yet to be ruled upon.

Promoting well-being & ethics

# Business ethics and responsible supply chain management

Doing business with the highest levels of transparency and integrity; ensuring fair and decent work environments throughout the supply chain.



### Opportunities and challenges

Viaplay Group is committed to being a value-driven company and conducting business responsibly and with integrity while working to ensure that its suppliers and partners do the same. Viaplay Group's Code of Conduct describes our responsibilities to customers, business partners, shareholders, and each other. It sets Viaplay Group's guiding principles and values, and our position on topics such as fair working conditions, asset protection, anti-corruption practices, conflicts of interest, competition, data protection and much more. It is a practical guide to how we do business, and it helps us navigate ethical and legal challenges we may face at work. The Code of Conduct consists of a set of values for all employees, applied wherever Viaplay Group operates.

Additionally, Viaplay Group's Anti-Bribery and Corruption policy lays down the rules the Group follows to prevent corruption in any of its business activities. The Supplier Code of Conduct is incorporated into supplier contracts and stipulates the requirements on suppliers to respect human rights, labour rights, the environment, anti-corruption and bribery standards, and data protection practices.

Through our corporate compliance programme, we aim to ensure that we live up to our high standards and that all the companies we do business with also oper-

ate according to our values. Viaplay Group's continued expansion to additional markets offers business opportunities, but at the same time may come with higher exposure to compliance risks, as with every growth and expansion process. Due to the war in Ukraine and the current geo-political situation in the world new risks and challenges have also surfaced in the compliance landscape.



### Progress

In working towards the full implementation of Viaplay Group's business ethics programme and strengthened ethics and compliance knowledge across the business, a new Supplier Code of Conduct was launched and implemented.

In 2023, we will continue to engage with identified high-risk suppliers, update our screening process and review our supplier base.

To raise awareness among our people on anti-bribery and corruption, in 2023 we will roll-out new mandatory anti-bribery and corruption e-learning. In 2022, no incidents of corruption were reported, as well as no incidents giving rise to a potential Code of Conduct breach with regards to the principles of ethical business behaviour.

In 2022 we launched a new third-party whistle-blower function and established procedures aligned with

the EU Whistleblowing Directive. Over the course of the year, a total of nine incidents initially linked to whistleblowing and HR related matters were reported. Our People & Sustainability department received four reports through the whistle-blower e-mail regarding allegations of discrimination, harassment, or misconduct. In addition, two incidents were reported directly to the People & Sustainability team (one of which was reported anonymously), an extra two were dealt with by the Group Security team and one was reported through the whistleblowing portal. No reports were recorded in the third-party whistle-blowing channel – speak-up line. In 2023, Viaplay plans to launch a mandatory whistle-blowing training for all employees, including targeted scenario-training for key functions.

The Group acted promptly and effectively to investigate each matter and took appropriate disciplinary action against individuals found to have engaged in misconduct. After initial assessment of the reported cases, it was found that the reported incidents were not related to whistle-blower matters. The number of reported incidents has increased in our content productions due to the Group's continuous efforts to raise awareness and implement educational programmes aimed at creating a workplace free from discrimination, harassment, and other unethical behaviour.

### In brief

#### 2026 Goals:

- Strengthened ethics & compliance knowledge across the business by implementing Viaplay Group's business ethics programme by end of 2026

#### Business Priority:

- Empowering our people

#### 2022 Targets:

- Roll-out new Code of Conduct training for productions including updated 'whistle-blower' procedures to targeted people starting with 30% of productions (100+) in 2022

#### 2023 Targets:

- Rollout and implement mandatory CoC e-learning programme to all employees by 2023.

● Achieved   ● Partially achieved   ● Not achieved

Promoting well-being & ethics

Number of reported whistle-blowing and human resource related matters

	2022	2021
Whistle-blowing matters, such as business ethics related (e.g. fraud, corruption), handled by the Corporate Compliance team	0	0
Human resources-related (e.g. harassment, well-being, discrimination), handled by People & Sustainability function	9	3
Total	9	3

Reporting channel used

	2022	2021
Ethicspoint (whistle-blowing portal)	1	0
Speak-up line (telephone)	0	0
Sent to the compliance e-mail address [compliance@viaplaygroup.com]	4	0
Reporting via incident reporting function on intranet	0	0
Direct contact with Corporate Compliance function	0	0
Direct contact with members of the People & Sustainability function at Group, region or local level line managers.	4	3
Total	9	3



How we work

Viaplay Group's Corporate Compliance function monitors corporate legal compliance and ethical business conduct continuously. Viaplay Group's Employee and Supplier Codes of Conduct together with Group policies and directives provide a framework that defines how we do business, keep us aligned with all applicable laws and regulations, and supports us in living our BEAT-values. It is our guide to being a trusted partner and employer. The framework is based on recognised compliance and business ethics standards and principles, including those related to human rights, and all are subject to regular reviews.

To ensure ethical conduct and acting with integrity in how we treat and respect each other within the company, how we interact with our customers, suppliers, and other stakeholders, including the communities at large, we consistently work on awareness raising among our people. Our Code of Conduct and core policies are therefore available on our website and communicated through monthly meetings and targeted trainings. All new employees are requested to sign Viaplay Group's Code of Conduct, which is reviewed annually.

Business ethics programme

Viaplay Group is committed to having a robust and fit-for purpose business ethics programme that adopts a culture of good ethics and compliance at all levels of the company, and across the supply chain. The programme focuses on business ethics areas such as anti-corruption and bribery, gifts and hospitality, com-

petition law, whistle-blowing, and sanctions; to secure a corporate culture that has zero tolerance for unethical business behaviour. The programme is shaped in a way that supports the detection of mistakes and breaches, enables employees to report without fear of retaliation, and for the Group to respond and remediate quickly when needed. The business programme and identified risks are continuously reviewed to ensure the effectiveness of the programme. The seven core elements that form the basis of the business ethics programme are based on the principles endorsed by national regulators such as the Swedish Anti-corruption Institute, U.S. Securities and Exchange Commission, the U.S. Department of Justice, and the UK Serious Fraud Office, as well as best practices endorsed by public international organisations such as the OECD and Transparency International. See illustration of our business ethics programme below:



Corruption and sanction risks

Viaplay Group screens business partners for corruption and sanction risks where there is an identified need, in order to avoid transactions that are contrary to our ethical business standards. New contracts in Viaplay Groups expansion to new markets are screened for risk of corruption and sanction risks where there is an identified need.

Policy influence and political contributions

We are proud to not make any political donations or participate in lobbying activities connected to local, regional or national political campaigns, organisations or specific candidates. All of our regulatory and public affairs work is carried out taking outmost account of relevant EU laws and policies related to transparency, anti-bribery, corruption and corporate compliance in general. See reporting on Membership in associations for more information on relevant industry groups and regulatory bodies we participate in.

Entering new markets

As part of Viaplay Group's international expansion plan, Viaplay Group conducts sustainability assessments before entering a new market. The purpose of the assessment is to identify potential risks in an early stage related to bribery and corruption, human rights, labour rights and the environment. The assessment is based on established frameworks, rankings and research, produced by organisations such as Human Rights Watch, and Transparency International. The sustainability assessment process will be continued in 2023 to safeguard a responsible expansion.



Promoting well-being & ethics

Complying with international sanctions

The Group has taken actions and continues to do so in response to the war in Ukraine, excluding Russian content from its platforms; screening new contracts and counterparties to ensure that any agreements do not involve payments to entities in Russia; complying with international sanctions.

Whistle-blower function and reporting concerns

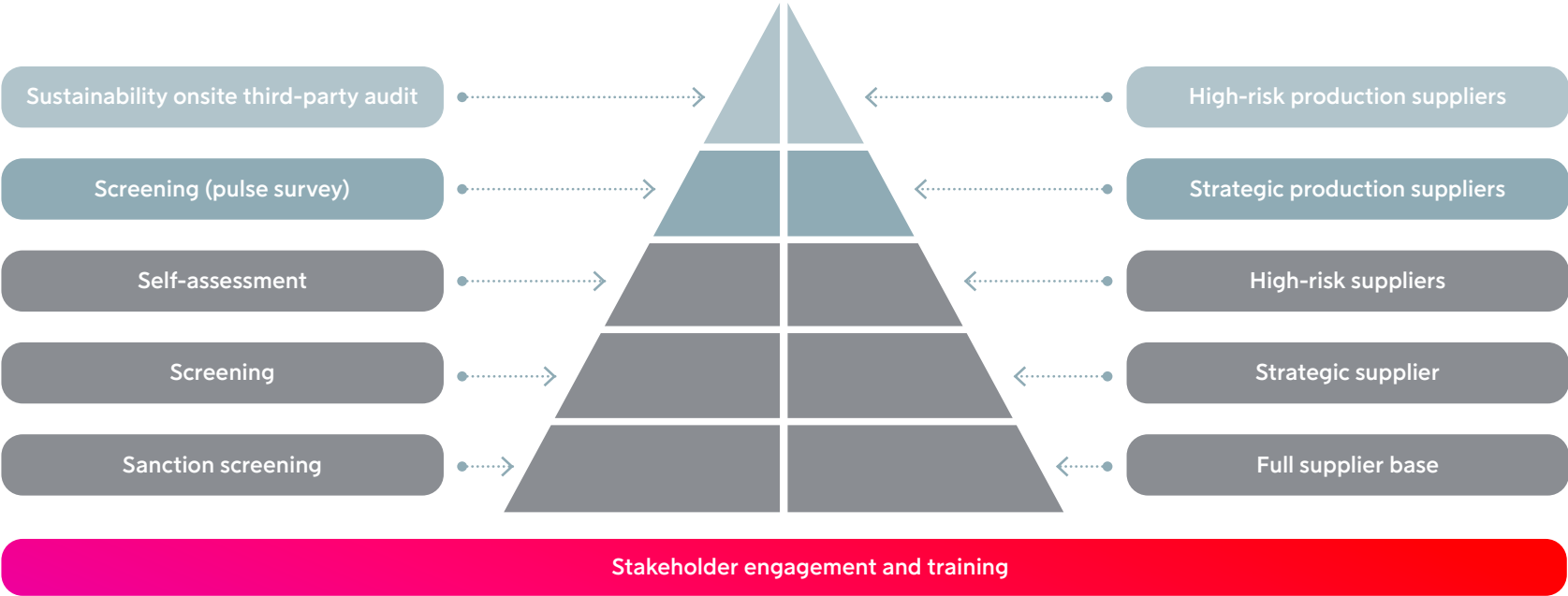
Viaplay Group's speak-up culture is critical to promoting and maintaining an ethical work environment and sustainable business. Therefore, we strive to ensure that everyone at, or operating on behalf of, the Group is heard. Our employees, including work related third parties such as suppliers, can in good faith report concerns and violation of our Code of Conduct and applicable laws and regulations anonymously without the risk of retaliation. In turn, we ensure a proper investigation and offer remediation when needed. In 2022, we updated our whistle-blower procedure.

Supplier screening & engagement

To ensure the responsible management of existing and new suppliers, including our productions, the Group engages with suppliers through several processes. Viaplay Group has established a thorough due diligence process to ensure that we do business with responsible and ethical suppliers (see section Corruption and sanction risk above). Suppliers are assessed and categorised based on four criteria: annual contract value; type

of product/service; dependency on the product/service; and location of operation. Suppliers that are identified as having higher risk receive a self-assessment questionnaire covering topics such as business ethics, environmental work, fair working conditions, human rights, and health and safety.

In addition to these screening processes, Viaplay Group has taken extra measurements in safeguarding wellbeing, health and safety, and work environment in content productions, i.e., via work environment screenings and the third-party audit programme. You will find more information on these in 'Responsible content production and acquisition'.



Our policies

The Viaplay Group's Supplier Code of Conduct (SCoC), is central to develop and maintain strong business relationships with our suppliers, who are committed to ethical standards equivalent to our own. To ensure that, our Supplier Code of Conduct outlines the standards for all companies that provide products and/or services to Viaplay Group's companies.

- [Supplier Code of Conduct](#)
- [Whistleblower Procedures](#)
- [Anti-Bribery and Corruption Policy](#)

Promoting well-being & ethics

# Human rights

Safeguarding the right to organise, speak up, hold opinions, and express identities.



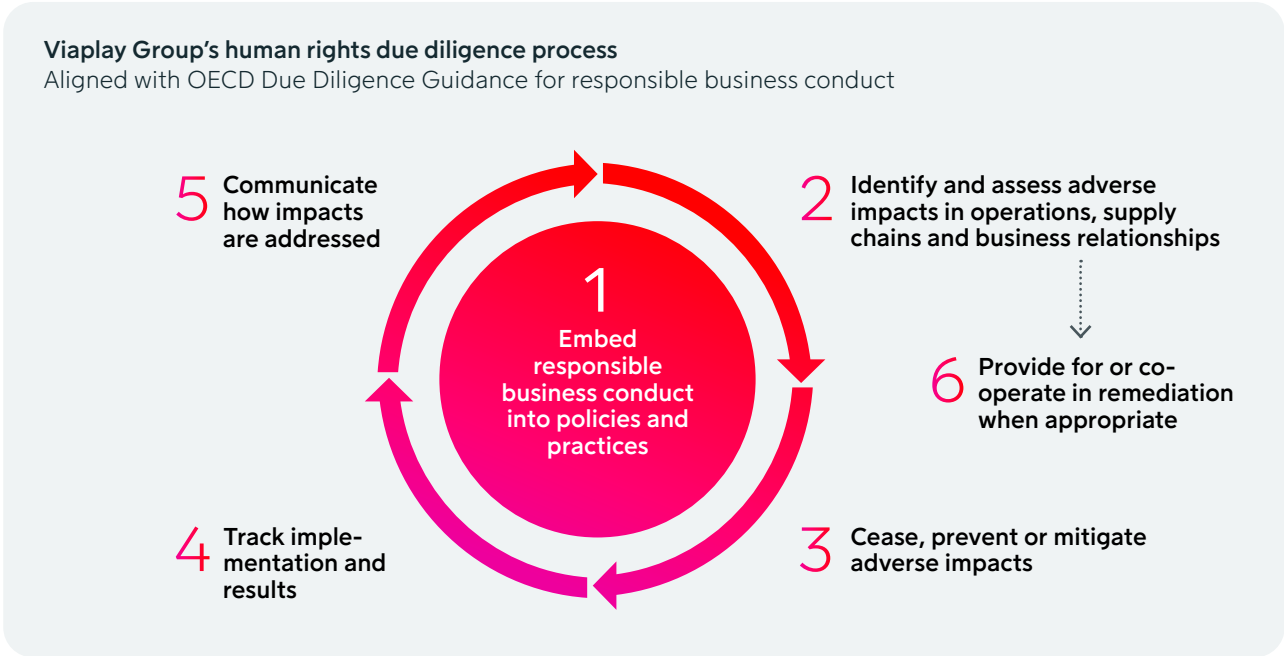
## Opportunities and challenges

Viaplay Group is committed to respecting human rights throughout its value chain. Viaplay Group operates across multiple markets through its service offerings, partnerships and global content supply chain, therefore a systematic approach to identify and address Human Rights’ impact is vital. There are several potential human rights risks in our markets and in the media and streaming industry. Viaplay Group has identified the following as more salient risks for the Group; freedom of expression, customer privacy, women’s, children’s and LGBTQIA+ rights, discrimination, and safe and healthy working conditions.



## Progress

During 2022, Viaplay Group strengthened its Human Rights Due Diligence (HRDD) process by bolstering our screening processes for suppliers and productions (a majority of our productions are put on by suppliers) through initiatives such as work environment screenings (pulse surveys) and onsite third-party audits. To further ensure ethical behaviour, human rights and sustainable business conduct, we strengthened our



ESG due diligence processes for major mergers and acquisitions, joint ventures, and strategic partnerships in 2022. In 2023, we will further improve and cement our HRDD process focusing on the entire value chain with particular focus on impact assessments and strengthening of children’s rights and principles in our business operations.

## In brief

**2026 Goal:**  
Ensure ethical behaviour and respect for human rights through strengthened ESG due diligence process and screenings for all suppliers and partners by end of 2026.

**Business priority:**  
Partnering for growth

**2022 Targets:**  
● Strengthened ESG due diligence process for major M&A, JVs and strategic partnerships in 2022.  
● Screen & engage with all critical suppliers by the end of 2022.

**2023 Targets:**  
Strengthened Human Rights Due Diligence process, incl. children’s rights across the business by 2023.  
Continued screening and improved engagement process for new and high-risk suppliers and partners.

● Achieved ● Partially achieved ● Not achieved

Promoting well-being & ethics



**How we work**

Viaplay Group complies with both internationally recognised human rights principles such as UN Guiding Principles for Business and Human Rights, and the laws of the countries in which we do business. Our commitments are clarified in our Human Rights Policy, Sustainability Policy and Modern UK Slavery Act Statement. To meet our responsibilities, we have established a Human Rights Due Diligence (HRDD) process for proactive systematic identification and review of potential human rights issues. This process is integrated in our Governance framework (see model on Human Rights Due Diligence) and covers our own operations and supply chain, covering all areas where infringements could occur. To further strengthen our work on human rights, we have improved our screenings of suppliers and productions, and our third-party audit programme which is part of our HRDD process, covering our entire value chain. The process aims to identify, prevent, mitigate and account for how the Group addresses actual and potential adverse human rights impacts in our operations, supply chain and in any business relations.



**Our policies**

Viaplay Group's Human Rights Policy describes our commitment to promoting values that foster human rights and acting honestly and with integrity. This is reflected in our company values: Bravery, Equality, Appreciation and Trust. Further, the Viaplay Group Human Rights Policy lays out how human rights are integrated into our daily work. Relevant Viaplay Group policies on human rights include:

- [Human Rights Policy](#)
- [Sustainability Policy](#)
  - [Equality Diversity Directive](#)
  - [Non-discrimination & Anti-harassment Directive](#)
  - [Editorial Guidelines](#)
- [People Group Policy](#)
- [Work Environment Policy](#)
- [Modern Slavery Act Statement](#)

Promoting well-being & ethics

# Data protection and privacy

Securing all personal data entrusted to the company, complying with all relevant data protection laws including GDPR.



### Opportunities and challenges

**Putting privacy at the forefront of everything we do**  
Viaplay Group is a data driven global company with personalisation at the core of several services. Keeping information and data relating to our business, customers and all stakeholders safe is a top priority. It is vital that we handle personal data in accordance with applicable laws and regulations, and that we protect personal data from any misuse, loss, unauthorised disclosure, or damage. With the expansion of our services into new markets and further digitalisation, the requirements increase.

Failure to adequately protect personal data could have an adverse impact on our business leading to fines, penalties, other financial impacts, and damage to our reputation. We take this responsibility seriously and value the trust that our customers, employees, and partners put in us to handle their personal data correctly. Viaplay Group has an extensive Data Protection framework applicable across the organisation to identify, understand and mitigate risks related to the processing of personal data across our businesses. Every year, the framework is rigorously evaluated and updated to continuously improve the Group's privacy and data protection practices as necessary.



### Progress

Viaplay Group sets yearly goals within privacy and data protection focused on the continued improvement of our practices and progress towards our long-term goals. As data rights are essential for our customers using Viaplay Group's services, in 2022, our efforts focused on completing specific reviews of our internal data subject access request processes. Targeted trainings are offered on a regular basis to employees specifically involved in such requests and the processes around the requests are continuously strengthened to the benefit of our customers.

We want to be transparent with our customers on how their personal data is handled. This year the Group focused on updating all our core information notices to customers to enhance clarity and transparency. Looking forward we will continue to find creative ways to simplify the information given to our customers and further improve our internal processes and ways of working.



### How we work

**Dedicated Privacy team**  
Viaplay Group's Privacy team, consisting of the Data Protection Officer (DPO) and other privacy experts, works across the organisation to ensure privacy-by-design and by-default is embedded across our processes and systems and to set high and consistent standards. On a yearly basis, an internal DPO report is published summarising Viaplay Group's events, milestones and projects within data protection and highlighting focus areas for the upcoming year. Other awareness initiatives are continuously carried out on all levels to ensure there is widely spread knowledge and understanding of these matters across the company. The Privacy team works in accordance with a yearly governance wheel to ensure fundamental data protection practices are reviewed and updated where necessary.

**Data breach procedures and claims**  
We have detailed data breach procedures and routines in place to ensure possible data breaches are investigated, well-documented and possible effects promptly mitigated. During 2022, Viaplay Group has not identified any substantiated complaints concerning breaches of customer privacy from regulatory bodies. We have

#### In brief

- 2026 Goal:**  
Establish Privacy portal on Viaplay, enabling all customers to access their personal data and manage their personal data preferences in real time by end of 2026.
- Business priority:**  
Creating engaging customer experiences.
- 2022 Targets:**  
● Review processes for customers exercising their rights, and implement extended trainings for customer service representatives.
- 2023 Targets:**  
Automate processes for customers exercising their privacy rights.

● Achieved ● Partially achieved ● Not achieved



Promoting well-being & ethics

had one individual complaint reported to a supervisory authority.

**Three lines of defence**

Viaplay Group's approach to data protection is based on the principle of three lines of defence, each with specific ownership, control and assurance responsibilities:

1. Members of functional management teams, supported by Data protection managers,
2. The Head of privacy/Data protection officer and Heads of IT and Information security;
3. Internal audits

**IT and information security**

Viaplay Group has an information security framework of which data privacy is a component, this is described in our Information Security Directive. Viaplay Group's information security management system regularly undergoes regular external independent auditing according to industry best practices.



**Our policies**

- [Data Protection Policy](#)
- Data Protection Governance Directive
- Information Security Directive

## EU Taxonomy

# EU Taxonomy

Reporting on alignment of business activities with EU environmental objectives.

The EU (European Union) Taxonomy for sustainable activities, is a classification system for economic activities which will be fully implemented in 2023. The taxonomy offers guidance for policy makers, industry, and investors on how best to support and invest in economic activities that contribute to achieving a climate neutral economy. It sets performance thresholds for economic activities by defining technical criteria for making a substantial contribution to one of the EU's environmental objectives (climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems), while also doing no significant harm to the other objectives. Companies should also meet minimum safeguards which ensure sustainable activities meet standards for human and labour rights, as well as ethical business practices.

Viaplay Group falls under the scope of the Non-Financial Reporting Directive and must disclose to what extent the activities that the Group carry out meet the criteria set out in the EU Taxonomy. Viaplay Group has identified that some of its economic activities qualify as eligible to be considered "environmentally sustainable" under the Taxonomy Regulation (EU) 2020/852 and its delegated acts (the "Taxonomy").

Viaplay Group operates video streaming services, pay-TV and commercial free-TV channels, com-

mercial radio networks, audio streaming services as well as producing content primarily for the Group's Viaplay streaming service. These activities are eligible pursuant to economic activities 8.3 Programming and Broadcasting and 13.3 Motion picture, video and television programme production, sound recording and music publishing activities of Annex 1 to Commission Delegated Regulation (EU) 2021/2139 (the "Delegated Climate Act").

## Reporting and financial disclosures

The Group's total turnover is defined as eligible according to economic activities 8.3 and 13.3. The Group currently has 31 titles licensed or produced which could be considered taxonomy aligned based on the definition of supporting activities in these sections. However, the revenue from these titles is deemed to be limited and therefore not significant. See Note 4 Revenues of the Financial statement for the Group's total revenue.

During 2022, the Group did not have any capital expenditure that would be considered as eligible by the EU Taxonomy. See Note 12 Intangible assets and Note 13 Tangible assets for the Group's total capital expenditure.

During 2022, the Group did not have any operating expenditure that would be considered as eligible by the EU Taxonomy. Out of the Group's total costs an estimation has been made to be included in the definition of

operating expenditure. The Group currently does not extract maintenance expense in its financial reporting in accordance with the EU taxonomy definitions and some simplifications have been made when estimating the operating expenditures. See Consolidated income statement for the Group's income statement.

The Group has evaluated its due diligence processes against the minimum safeguards defined by the EU Taxonomy to ensure its activities meet standards for human and labour rights, as well as ethical business practices. For more information on these processes see reporting on Responsible content production and acquisition.

The Taxonomy disclosure requirements are extended in this year's reporting. This disclosure is based on Viaplay Group's current understanding of the legislation and may be amended in the future to align with new regulatory guidance provided and developing reporting practices, as knowledge of the Taxonomy requirements matures. The share of eligible and aligned activities may increase in the future due to Viaplay Group's commitment to becoming the sustainable entertainment provider. The Group has established targets to increase the share of produced and acquired content which emphasise storytelling related to climate and environmental issues.

EU Taxonomy

EU Taxonomy – Turnover

Economic activities (1)	Substantial contribution criteria									DNSH criteria ('Do No Significant Harm')										
	Code(s) (2)	Absolute turnover (3) SEKm	Proportion of turnover (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18) %	Taxonomy-aligned proportion of turnover, year 2022-1 (19) %	Category (enabling activity or) (20) E	Category '(transitional activity)' (21) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Programming and broadcasting activities	8.3	15,335	98%																	
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	356	2%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		15,691	100%																	
Total (A.1+A.2)		15,691	100%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		0	0%																	
Total (A+B)		15,691	100%																	

EU Taxonomy

EU Taxonomy – CapEx

Economic activities (1)	Code(s) (2)	Substantial contribution criteria								DNSH criteria ('Do No Significant Harm')										
		Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2022-1 (19)	Category (enabling activity or) (20)	Category '(transitional activity)' (21)
		SEKm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1+A.2)		0	0%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		186	100%																	
Total (A+B)		186	100%																	



EU Taxonomy

EU Taxonomy – OpEx

Economic activities (1)	Substantial contribution criteria								DNSH criteria ('Does Not Significantly Harm')											
	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2022-1 (19)	Category (enabling activity or) (20)	Category '(transitional activity)' (21)
		SEKm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1+A.2)		0	0%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		11	100%																	
Total (A+B)		11	100%																	

Sustainability report

GRI-index

Our reporting is prepared in accordance with the GRI 1: Foundation 2021, meaning that our report covers all General Disclosures as well as topic-specific disclosures deemed material. There are currently no published sector standards applicable to Viaplay Group. This index provides a reference list of disclosures with reference to GRI Standards and refers to the locations where they can be found in the annual reporting.

**Data boundaries:** Unless otherwise stated, the Group’s consolidated performance figures expressed in this report relate to

the parent company, Viaplay Group AB, and all the companies which the Group holds over 50% of the voting rights directly or indirectly. When reporting on regions for any material topic ‘Nordics’ includes Sweden, Denmark, Norway and Finland. ‘Other Europe’ includes Hungary, Romania, Poland, Lithuania, Bulgaria, Slovakia, Czech Republic, the Netherlands and the United Kingdom. Viaplay has been launched in Iceland, Estonia, Latvia, and the United States. However, Viaplay Group has no employees working from there.

**Management approach disclosures (3-3):** Viaplay’s sustainability reporting follows the Group’s sustainability strategy. In terms of the GRI Standards, the management approach to sustainability is described in the Strategy chapter and is further elaborated on in the Approach to sustainability section of the sustainability reporting chapter. In addition, each topic-specific chapter in the report describes the respective opportunities and challenges, while providing context on why the topic is material. Topic-specific chapters further explain respective strategies and

policies as well as respective processes, procedures and systems relevant to management of material topics.

**Date of most recent report:** 8 April 2022

**Changes from most recent report:** New GRI Standard adopted, Group Specific Indicators dropped. Reporting on GRI 302 included. See restatements below.

**Statement of use:** Viaplay Group AB has reported in accordance with the GRI Standards for the period 1 January 2022–31 December 2022.

General Disclosures

GRI standard	Content Indicator		Location and comments	Omissions & restatements	
GRI 2: General Disclosures 2021					
Organisation and its reporting practices	2-1	Organisational details	About Viaplay Group, Directors’ report	p. 4, 25	
	2-2	Entities included in the organisation’s sustainability reporting	Note 14, entities included in sustainability reporting are the same as those included in financial reporting.	p. 67	
	2-3	Reporting period, frequency and contact point	About this report, Contact	p. 2, 153	
	2-4	Restatements of information	GRI Index (Omissions & restatements)	p. 141–144	
	2-5	External assurance	Independent assurance statement	p. 145	
Activites and workers	2-6	Activities, value chain, and other business relationships	Directors’ report (operation and market), Our approach to sustainability, Streaming and the environment, Note 15	pg. 25, 17, 113, 67	
	2-7	Employees	Employee well-being (table: Employees and workers), headcount at the end of the reporting period is used for all figures. The Group does not have non-guaranteed hours employees.	pg. 116	
	2-8	Workers who are not employees	Employee well-being (table: Employees and workers), headcount at the end of the reporting period is used for these figures.	pg. 116	(Incomplete) In 2022, no significant part of the Group’s work was performed by non-employees. Type of worker and contractual relationships are sufficiently varied across markets to not allow for effective categorisation.

## General Disclosures

GRI standard	Content Indicator		Location and comments	Omissions & restatements
GRI 2: General Disclosures 2021				
Governance	2-9	Governance structure and composition	Governance and responsibility, Sustainability governance	p. 38–44, 101
	2-10	Nomination and selection of the highest governance body	Governance and responsibility (The Nomination Committee)	p. 38
	2-11	Chair of the highest governance body	Governance and responsibility (The Board of Directors)	p. 39, 42
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance and responsibility (Sustainability), Sustainability governance	p. 38, 101
	2-13	Delegation of responsibility for managing impacts	Sustainability governance	p. 101
	2-14	Role of the highest governance body in sustainability reporting	Governance and responsibility (Sustainability), Sustainability governance	p. 38, 101
	2-15	Conflicts of interest	Governance and responsibility	p. 38–41
	2-16	Communication of critical concerns	Governance and responsibility, Business ethics and responsible supply chain management	p. 38–41, 130–132
	2-17	Collective knowledge of the highest governance body	Governance and responsibility (The Board of Directors)	p. 39–42
	2-18	Evaluation of the performance of the highest governance body	Governance and responsibility (Evaluation of the Board of Directors and the Chief Executive Officer)	p. 39
	2-19	Remuneration policies	Note 7	p. 55–60
	2-20	Process to determine remuneration	Note 7, Remuneration report	p. 55–60, 147–151
	2-21	Annual total compensation ratio	Remuneration report	p. 147–151
Strategy, policies and practices	2-22	Statement on sustainable development strategy	CEO Statement	p. 8–9
	2-23	Policy commitments	Policies & practices	p. 102
	2-24	Embedding policy commitments	Policies & practices, business ethics and responsible supply chain management	p. 102, 130–132
	2-25	Processes to remediate negative impacts	Human rights	p. 133–134
	2-26	Mechanisms for seeking advice and raising concerns	Business ethics and responsible supply chain management	p. 130–132
	2-27	Compliance with laws and regulations	Business ethics and responsible supply chain management	p. 130–132
	2-28	Membership associations	Membership of associations	p. 102–103
Stakeholder engagement	2-29	Approach to stakeholder engagement	Stakeholders	p. 104
	2-30	Collective bargaining agreements	Stakeholders	p. 104

## Material Topics

GRI standard	Content Indicator		Location and comments	Omissions & restatements	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality	p. 104–105	
	3-2	List of material topics	Materiality	p. 105	
Anti-corruption 2017	205-2	Communication and training about anti-corruption policies and procedures	Business ethics and responsible supply chain management	p. 131–132	
	205-3	Confirmed incidents of corruption and actions taken	Business ethics and responsible supply chain management	p. 130–131	
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection and privacy (How we work)	p. 135	
Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Equality, diversity, and inclusion	p. 123	(Restatement) Age distribution for Board of Directors has been restated for 2021, all board members were >50 years old.
	405-2	Ratio of basic salary and remuneration of women to men	Equality, diversity, and inclusion	p. 123	
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Operations, productions, and the environment	p. 109–110	(Restatement) Previously unreported historic data incorporated into stated 2019 and 2021 figures, leading reported 2019 emissions to increase and 2021 figures to decrease.
	305-2	Energy indirect (Scope 2) GHG emissions	Operations, productions, and the environment	p. 109–110	(Restatement) Previously unreported historic data incorporated into 2019 figures, leading reported 2019 emissions to increase.
	305-3	Other indirect (Scope 3) GHG emissions	Operations, productions, and the environment	p. 109–110	(Restatement) Previously unreported historic data incorporated into 2019 and 2021 3.6 Business travel, leading reported emissions to increase.
Employment 2016	401-1	New employee hires and employee turnover	Talent attraction, development, and retention, the percentage of new hires and turnover for a given region reflect the ratios for that region, not the total group.	p. 120	
	401-3	Parental leave	Talent attraction, development, and retention	p. 121	
Energy 2016	302-1	Energy consumption within the organisation	Operations, productions, and the environment	p. 111	
	302-3	Energy intensity	Streaming and the environment	p. 114	



## Material topics

GRI standard	Content Indicator	Location and comments	Omissions & restatements
Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	Business ethics and responsible supply chain management	p. 131–132
Marketing and labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Content compliance and the protection of children	p. 129 (Restatement) For 2021 figures included all broadcast complaints, restated to reflect incidents of non-compliance only. Reducing reported incidents for 2021 from 5 to 1.
	417-3 Incidents of non-compliance concerning marketing communications	Content compliance and the protection of children	p. 129 (Restatement) For 2021 figures included all broadcast complaints, restated to reflect incidents of non-compliance only. Reducing reported incidents for 2021 from 5 to 1.
GRI 3: Material Topics 2021			
Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Buisness ethics and responsible supply chain management	p. 130–132
Occupational health and safety 2018	403-1 Occupational health and safety management system	Employee well-being (How we work)	p. 117–118
	403-2 Hazard identification, risk assessment, and incident investigation	Employee well-being (How we work)	p. 117–118
	403-3 Occupational health services	Employee well-being (How we work)	p. 117–118
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee well-being (How we work)	p. 117–118
	403-5 Worker training on occupational health and safety	Employee well-being (How we work)	p. 117–118
	403-6 Promotion of worker health	Employee well-being (How we work)	p. 117–118
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee well-being (How we work)	p. 117–118
	402-9 Work-related injuries	Employee well-being (Table: Work-related injuries)	p. 117
Waste 2020	306-3 Waste generated	Operations, productions, and the environment	p. 112
	306-4 Waste diverted from disposal	Operations, productions, and the environment	p. 112
	306-5 Waste directed to disposal	Operations, productions, and the environment	p. 112 (Incomplete) Split between hazardous and non-hazardous waste excluded from reporting due to lack of such data, and limited production and disposal of hazardous waste.

# Auditor's Limited Assurance Report on Viaplay Group AB Sustainability Report and statement regarding the Statutory Sustainability Report

To Viaplay Group AB, Corp. Id. 559124-6847

## Introduction

We have been engaged by the Board of Directors and the Chief Executive Officer of Viaplay Group AB to undertake a limited assurance engagement of Viaplay Group AB Sustainability Report for the financial year 2022. Viaplay Group AB has defined the scope of the Sustainability Report that also is the Statutory Sustainability Report on page 2.

## Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 141 in the Sustainability Report and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Viaplay Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Managing Director as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

## Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 3 April 2023

KPMG AB

**Tomas Gerhardsson**

AUTHORIZED PUBLIC ACCOUNTANT

**Torbjörn Westman**

EXPERT MEMBER OF FAR

# Remuneration Report

## Introduction

This remuneration report<sup>1</sup> provides an outline of how Viaplay Group's Remuneration Guidelines for executive remuneration (the "guidelines"), adopted by the 2020 Annual General Meeting (the "AGM"), have been implemented in 2022. The report also provides details of the President & CEO's remuneration in the year and a summary of the Group's outstanding share programmes.

## Key developments 2022

Viaplay Group made significant progress on the five-year expansion plan despite challenging external conditions. During the year, Viaplay successfully launched in the Netherlands and the UK, strengthening the position as Northern Europe's leading entertainment service provider. Several new partnerships and exclusive sports rights were secured, and a total of 126 Viaplay Original productions premiered during the year – the highest number ever.

**Impact on remuneration:** The President & CEO's base salary was adjusted with 10% effective January 2022. The adjustment was the second part of a two-year plan to bring the total remuneration package closer to European levels. In line with 2021, the Remuneration Committee and Board proposed a long-term incentive plan to shareholders at the 2022 AGM. The adopted

plan, "LTIP 2022", follows the same design as the 2021 plan with ambitious three-year targets focused on the growth in Total Shareholder Return ("TSR") and in the number of Viaplay subscribers. The plan and performance targets are outlined in more detail in the section "Share-based remuneration".

Viaplay Group closed the year with 7.3 million Viaplay subscribers, an increase of 3.3 million. This resulted in Group net sales of SEK 15.7 billion and an organic growth of 20%.

**Impact on remuneration:** The 2022 short-term incentive (STI) corporate targets (80% weight) for the President & CEO focused on; growth in net sales, Viaplay subscribers and increasing gender diversity. The remaining operational targets (20% weight) focused on meeting other key strategic financial objectives. The 2022 STI targets were fulfilled to 80.3%, as outlined in the section "Application of performance criteria".

**Impact on remuneration:** The growth plan implemented in late 2021 for key employees (including the President & CEO), focused on growth in Nordic EBIT (50%) and International Paying Subscribers (50%) during 2022. The performance targets were met at 99.5% which resulted in maximum outcome. Further details on the

performance targets and outcomes are outlined in the section "Application of performance criteria".

During the annual remuneration review, the Remuneration Committee and the Board concluded that most features of the 2022 LTIP design remained appropriate. However, with the current uncertainty there is strong argument to introduce a third performance measure to incentivise profitable growth and to balance the large weighting on Absolute TSR. The new plan "LTIP 2023", will be proposed by the Board at the 2023 AGM.

## Information on shareholder vote

The 2021 Remuneration Report was approved with >99% shareholder support. Viaplay Group maintains an ongoing dialogue with shareholders and investors and welcomes feedback on remuneration arrangements and disclosure throughout the year.

## Total remuneration of Directors

Viaplay Group's remuneration policy is designed to i) drive and reward sustainable company and individual performance, ii) be market competitive to attract and retain best-in-class talent, and iii) to incentivise the creation of long-term shareholder value in a rapidly changing industry. Total remuneration shall be on market terms and may include base salary, pension,

benefits and performance-linked elements in the form of short-term ("STI") and long-term incentive ("LTI") plans. The guidelines, adopted by the 2020 AGM, can be found in note 7 of the 2022 annual report. The auditor's report stating whether the guidelines have been complied with will be available on the company's website <https://www.viaplaygroup.com/about/corporate-governance/general-meetings> no later than three weeks before the 2023 AGM. In addition to the remuneration elements covered by the guidelines, Viaplay Group had three outstanding share-based LTI plans in 2022, one of which vested during the year ("LTIP 2019"). These plans were adopted by the AGMs in 2019, 2021 and 2022 respectively. In addition, the AGM annually resolves on remuneration to the Board which is not covered by this report. Such remuneration is disclosed in note 7 of the 2022 annual report.

1) The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Remuneration Rules (dated December 1 2020) issued by the Swedish Corporate Governance Board. Information required by Chapter 5, Sections 40–44 of the Annual Accounts Act (1995:1554) is available in note 7 on pages 55–60 in the Group's annual report for 2022 (the "annual report 2022"). Information on the work of the remuneration committee in 2022 is set out in the Governance report, which is available on pages 38–44 in the annual report 2022.

Remuneration Report

Total remuneration of the President & CEO (SEK)

The table below sets out the total remuneration earned by the President & CEO in 2022. Disbursement of any payments may or may not have been made the same year.

Name of director, position	Financial year	Fixed remuneration		Variable remuneration		Extraordinary items <sup>3</sup>	Pension expense <sup>4</sup>	Total remuneration	Proportion of fixed and variable <sup>5</sup>
		Base salary	Other benefits <sup>1</sup>	One-year variable <sup>2</sup>	Multi-year variable				
Anders Jensen, President & CEO	2022	9,856,000	55,200	7,914,365	—	16,262,400	504,000	34,591,965	30/70

1) Other benefits include car allowance.  
2) One-year variable remuneration for 2022 refers to the payout under the 2022 Viaplay Group STI plan due to be paid in Q1 2023.  
3) Payment under extraordinary items refers to the payout under the variable 2022 One-Off Growth Plan reflecting achievement of 100% of the maximum award level. Further details are outlined in the section “Application of Performance Criteria” under “Viaplay Group 2022 One-off Growth Plan”.  
4) Pension expense is in the form of a defined contribution plan based on a percentage of base salary.  
5) Base salary, benefits and pension expense are considered fixed remuneration for the purpose of this calculation.

Share-based remuneration

Outstanding share-based programmes

Viaplay Group had three outstanding share-based LTI plans in 2022, approved by shareholders at the respective AGM. The plans are directed to the President & CEO, other members of Group Executive Management (GEM), senior executives and key employees in the Group. Within the scope of these plans, participants were granted performance share awards free of charge, which after a three-year vesting period entitle them to Viaplay Group shares.

LTIP 2019  
Vesting of performance share awards under LTIP 2019 was conditional upon the achievement of two equally weighted performance targets: (i) organic sales growth, and (ii) operating income for the 2019 financial year. In addition, vesting was subject to continued employment throughout the vesting period, with certain customary exceptions. The 2019 performance targets were achieved

in full, as disclosed in the 2019 annual report, and the performance share awards vested on 9 May 2022.

LTIP 2021 AND LTIP 2022  
Vesting of performance share awards under LTIP 2021 and LTIP 2022 is conditional upon the achievement of two performance targets: (i) Total Shareholder Return (“TSR”) with 70% weight, and (ii) Viaplay subscribers with 30% weight. Threshold and maximum target levels have been established by the Board at grant and disclosed to shareholders. If the minimum threshold level is achieved, 25% of the Performance Share Awards will vest. If the maximum level is achieved, 100% of the Performance Share Awards will vest. The TSR threshold target level is 19% and the maximum target level is 64% for both plans. The TSR performance is measured over a three-year period from the 2021 AGM to the 2024 AGM (“LTIP 2021”) and from the 2022 AGM to the 2025 AGM (“LTIP 2022”). For Viaplay subscribers, the threshold target level for LTIP 2021 is 6.0 million and

the maximum target level is 7.0 million. For LTIP 2022, the threshold target level is 8.8 million and the maximum target level is 10.4 million. The subscriber target is measured over a three-year period from 1 January in the year of grant to 31 December of the year prior to vesting.

Vesting of shares after the end of the performance period is subject to continued employment throughout the vesting period, with certain customary exceptions.

SHARE OWNERSHIP REQUIREMENT  
To further incentivise the creation of long-term shareholder value, the CEO and members of the GEM are required to build and maintain a significant shareholding in Viaplay Group. The CEO is required to hold shares worth a minimum of 150% of net salary. The value of the CEO’s current share ownership is above that threshold at c. 470% of net salary, based on the share price as of 30 December 2022.



Remuneration Report

Remuneration of the President & CEO in shares

The table outlines the details of the LTIP 2019, LTIP 2021 and LTIP 2022 performance share awards granted to the President & CEO.

Name of director, position	The main conditions					Information regarding the reported year					
	Plan	Performance period <sup>1</sup>	Grant date	Vesting date <sup>2</sup>	End of retention period <sup>3</sup>	Opening balance	During the year		Closing balance		
						Shares held at the beginning of the year <sup>3</sup>	Shares granted	Shares vested	Shares subject to a performance condition <sup>4</sup>	Shares granted unvested at year end <sup>4</sup>	Shares subject to a retention period
Anders Jensen, President & CEO	LTIP 2022	2022–2025	2022-05-25	Q2 2025	—	—	48,690	—	48,690	48,690	—
	LTIP 2021	2021–2024	2021-05-19	Q2 2024	—	—	—	—	39,215	39,215	—
	LTIP 2019	2019	2019-05-19	2022-05-09	—	—	—	42,700	—	—	—
Total						—	48,690	42,700	87,905	87,905	—

1) The performance targets are measured over a three-year performance period in LTIP 2021 and LTIP 2022. For LTIP 2019 a one-year performance period applied.

2) The awards under LTIP 2021 and LTIP 2022 vest after the 2024 and 2025 AGMs respectively.

3) The shares are not delivered to the President & CEO until the date of vesting and there is no requirement to retain the shares post vesting, other than to fulfil the Share Ownership Requirement.

4) The applicable performance conditions for LTIP 2019 were confirmed fulfilled in Q1 2020 and are reported in the 2019 Annual Report.

Application of performance criteria

Viaplay Group Short-term incentive (“STI”)

The performance measures for the STI plan are reviewed and selected annually to incentivise and reward the achievement of annual financial and, when appropriate, non-financial performance measures clearly linked to the strategic priorities and sustainable development of the Group. In the selection of performance measures for 2022, key objectives in the five-year expansion strategy and short-term and long-term business priorities for 2022 have been considered. The non-financial performance measures further contribute to alignment with company values.

## Remuneration Report

**Performance of the President & CEO in the reported financial year:****Variable cash remuneration**

Set out in the table below is a description of how the criteria for payment of STI have been applied during the 2022 financial year. The 2022 STI targets were fulfilled to 80.3% of maximum.

Name of director, position	Description of the criteria related to the performance component	Relative weighting of the performance criteria	Performance target <sup>1</sup>		Measured performance and outcome <sup>1</sup>
			Threshold	Maximum	One-year variable
Anders Jensen, President & CEO	Viaplay Group revenues (mSEK)	30%	14,557	16,174	15,248 1,263 kSEK
	Viaplay paying subscribers ('000)	40%	5,872	6,525	7,150 3,942 kSEK
	Viaplay Group gender balance	10%	Not applicable <sup>2</sup>	45% female/ 55% male	45% female 986 kSEK
	Full-year operating cashflow before tax and dividends (mSEK)	10%	Not applicable <sup>2</sup>	-3,489	-2,872 986 kSEK
	Full-year ad sales (mSEK)	5%	Not applicable <sup>2</sup>	4,005	3,741 246 kSEK
	Viaplay ARPU (% of budget)	5%	Not applicable <sup>2</sup>	100%	100% 493 kSEK

1) The performance targets and the outcome for revenues and subscribers were adjusted by the Board in accordance with the pre-approved adjustment framework. Adjustments were made for significant exchange rate fluctuations outside budgeted levels and additional approved investments in the international expansion.

2) No fixed threshold has been set for these performance targets.

**Viaplay Group 2022 One-off Growth Plan**

The performance measures for the 2022 One-off Growth Plan were selected to incentivise and reward the achievement of certain financial milestones for the Group. The purpose of the plan was to aid retention and incentivise key executives following the cancellation of the LTIP 2020 which would have been due to vest in 2023. The maximum award level for the President & CEO under this plan was 165% of base salary. The performance targets were fulfilled to 99.5% of maximum, which was rounded up to 100% by the Remuneration Committee and Board in accordance with the terms of the plan.

Name of director, position	Description of the criteria related to the performance component	Relative weighting of the performance criteria	Performance target <sup>1</sup>		Measured performance and outcome <sup>1</sup>
			Threshold	Maximum	One-year variable
Anders Jensen, President & CEO	Viaplay Group Nordic EBIT (mSEK)	50%	1,046	1,162	1,151 8,131 kSEK
	Viaplay international paying subscribers (RGUs end of year) ('000)	50%	1,980	2,200	2,250 8,131 kSEK

1) The performance targets and the outcome for EBIT and international paying subscribers were adjusted by the Board in accordance with the pre-approved adjustment framework. Adjustments were made for significant exchange rate fluctuations outside budgeted levels and additional approved investments in the international expansion.

**Viaplay Group Long-term incentive ("LTIP")**

The applicable performance conditions for LTIP 2019 which vested in 2022 were confirmed fulfilled in Q1 2020 and were reported in the 2019 Annual Report. The 2021 and 2022 LTIPs does not vest until after the 2024 and 2025 AGM respectively.

Remuneration Report

**Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines**

The Remuneration Committee and Board have concluded that there were no derogations or deviations from the 2020 guidelines.

**Comparative information on the change of remuneration and company performance**

SEK million	2022	2021	2020
President & CEO remuneration	35	18	12
Group Operating Income before IAC <sup>1</sup>	−97	647	1,077
Average remuneration employees Viaplay Group <sup>2</sup>	1.0	1.0	0.9
Average remuneration employees of parent company <sup>3</sup>	1.4	1.5	1.5

1) Unadjusted outcome. Results between 2020 and 2021 are not directly comparable year-over-year given the deconsolidation of Viasat Consumer Business and the increased investments into the international expansion.

2) Included as considered a better reference group of employees than the parent company which includes a small population.

3) The number of employees in the parent company is limited and is therefore volatile to turnover and change in employee compensation.

# Five-year summary

(SEK million if not otherwise stated)	2022	2021	2020	2019	2018
<b>Income statement<sup>1</sup></b>					
Net sales	15,691	12,661	12,003	14,204	14,568
Sales growth, %	23.9	5.5	−15.5	7.6	6.5
– of which organic growth, %	19.7	16.7	0.1	6.1 <sup>2</sup>	3.8
Operating income before associated companies and IAC	−372	607	978	1,441	1,546
Operating income before IAC	−97	647	1,077	1,445	1,544
Operating margin before IAC, %	−6.2	5.1	9.0	10.2	10.6
Items affecting comparability	510	−74	2,109	−755	−40
Operating income	413	573	3,186	690	1,504
Operating margin, %	2.6	4.5	26.5	4.9	10.3
Net income for the year, continuing operations	323	365	2,869	538	1,292
Net income for the year, total operations	323	325	2,226	590	1,292
<b>Cash flow</b>					
Cash flow from operations, excluding changes in working capital	304	1,294	2,200	1,393	1,496
Change in working capital	−3,305	−817	−674	−791	−380
Cash flow from operations	−3,001	477	1,526	602	1,116
Capital expenditures in tangible and intangible assets	−186	−216	−147	−176	−550
Acquisitions and divestments of operations	−387	443	−222	−15	−19

(SEK million if not otherwise stated)	2022	2021	2020	2019	2018
<b>Net debt</b>					
Total financial borrowings	3,900	3,300	4,560	4,780	4,373
Cash and cash equivalents	2,775	5,702	2,040	1,238	428
Financial net debt	1,105	−2,422	2,520	3,542	3,944
Net debt	1,482	−2,059	3,026	4,139	3,944
<b>Key ratios</b>					
ROCE, %	−1.2	9.9	15.5	27.1	36.5
Net debt to EBITDA ratio	8.6	−2.1	2.2	2.2	2.3
<b>Per share data</b>					
Shares outstanding at the end of the year	78,225,962	77,970,071	67,347,526	67,342,244	66,980,902
Basic average number of shares outstanding	78,137,402	76,731,753	67,345,231	67,279,875	66,854,133
Weighted average number of shares after dilution	78,225,008	77,031,536	67,664,386	67,484,565	67,362,405
Basic earnings per share (SEK)	4.13	4.23	33.06	8.77	19.24
Proposed ordinary dividend/Cash dividend per share (SEK)	0 <sup>3</sup>	0	0	0	6.50
Market price of Class B shares at close of last trading day	198.05	469.20	458.60	302.80	—

1) As from Q2 2020 Viaplay Group's non-scripted, branded entertainment and events businesses was reported as discontinued operations. Periods 2019–2020 has been restated. Period 2018 has not been restated. Splay One was divested in April 2021 and the sale of the remaining businesses was completed in September 2021.

2) Sales growth year 2019 has been restated.

3) The Board proposed no dividend to be paid for the year 2022. Subject to AGM approval.

# Definitions & glossary

## Financial key ratio definitions

**Associated Company Income (ACI)**

Associated companies are companies in which the Group holds voting rights of at least 20% and no more than 50%. Associated company income is the Group’s share of the associated company’s net income.

**Capital employed**

Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing.

**Earnings per share**

Earnings per share is expressed as net income attributable to equity holders of the parent company divided by the average number of shares.

**EBITDA**

EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation.

**Items affecting comparability (IAC)**

Items affecting comparability refer to material items and events related to changes in the Group’s structure or lines of business, which are relevant for understanding the Group’s development on a like-for-like basis.

**Net debt**

Net debt is the sum of short and long-term interest-bearing liabilities less total cash and interest-bearing assets. Net debt also includes lease liabilities net of

sublease receivables and dividends payable. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liabilities).

**Operating expenses**

Operating expenses comprise Cost of sales, Selling and marketing expenses, and Administrative expenses, and exclude Items Affecting comparability.

**Operating income**

Operating income comprises results before interest and taxes, otherwise known as EBIT (Earnings Before Interest and Taxes).

**Operating margin %**

Operating income as a percentage of net sales.

**Organic growth**

Organic growth is the change in net sales compared to the same period of the previous year excluding acquisitions and divestments and adjusted for currency translation and transaction effects.

**Return on capital employed (ROCE) %**

Return on capital employed is calculated as operating income as a percentage of average capital employed.

## Operational definitions and glossary

**ARPU, Average revenue per user**

ARPU is defined as the average revenue per paying subscribers.

**AVOD, Advertising video on-demand**

A video on demand service that is free for users and funded through advertising.

**Branded content**

Editorial content (i.e. not advertising spots) that is funded by and produced for an advertiser.

**Carriage fee**

A fee paid by a TV distributor to Viaplay Group in order to show Viaplay Group’s TV channels.

**CSOL, Commercial share of listening**

CSOL comprises Viaplay Group’s estimated share of commercial radio listening amongst 10+ year olds in Norway and 12-79 year olds in Sweden.

**CSOV, Commercial share of viewing**

CSOV comprises Viaplay Group’s estimated share of commercial TV viewing amongst 25-59 year olds.

**Non-scripted content**

Content such as reality entertainment shows or documentaries that do not follow a set script.

**Original content**

Content created and owned by a media company (as

opposed to content acquired from another company) for direct distribution to its own or partners’ customers.

**Scripted content**

Content such as drama series or film that follow a script.

**Sublicensing**

The licensing of content by one company from another company currently holding this license.

**SVOD, Subscription video on-demand**

A video on demand service where a customer pays a regular subscription fee to access the service.

**Third party customer**

A customer who has access to Viaplay Group’s content through a third party company.

**Viaplay subscriber**

A Viaplay subscriber is defined as a customer who has access to Viaplay and for whom a method of payment has been provided. Viaplay Group only reports paid-for subscriptions where a payment has been received directly from the end-customer or from a partner organisation.

**VOD, Video-on-demand**

A general term for services that enable customers to stream or download video content whenever they want and on a range of devices.



Financial calendar

<b>Q1 Results announcement</b> Tuesday 25 April, 2023 Silent period: 4 April – 25 April	<b>Q2 Results announcement</b> Thursday 20 July, 2023 Silent period: 30 June – 20 July
<b>Annual General Meeting 2023</b> Tuesday 16 May, 2023 Stockholm	<b>Q3 Results announcement</b> Tuesday 24 October, 2023 Silent period: 3 October – 24 October

Documentation and further details of when and how to give notice to attend will be published in advance on [www.viaplaygroup.com](http://www.viaplaygroup.com)

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